Wednesday February 28 1979



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⁷ietnam strikes Gold nto

inam has struck back at na, sending forces 15 miles de Chinese territory, but the ck has been repulsed, the China News Agency rted.

hinese troops were reported lave thrust 25 miles inside tham, with fierce fighting ig on around the provincial ital of Lang Xon, and the mamese said, to be with-

wing, i Peking, the People's Daily e a strong hint that the nese may refuse to withdraw n Vietnam until the tnamese have agreed to ofiate on border issues.
k and Page 4; Editorial

orth Yemen aid

has sent \$100m military aid North Yemen to help it fight South Yemenis. Saudi bia has offered a peace plan end the fighting and called all Arab states to support it

natcher call

y leader Mrs. Margaret acher urged the Scottish morate to vote "No" in the cheming referendum on olution, and so preserve the ty of the UK. Back and

nin 'in danger'

ht-year dictatorship of anda President Idi Amin is canger of collapse as Tan-**Niet hijack**

people protesting about ditions inside the Soviet ion hijacked a Soviet airliner a flight from Oslo to Moscow i tried to set off petrol bombs board before being over-

d Bailey guard

hiest accurity ever seen at Old Bailey went into operai for two separate hearings ding to alleged Middle East prist activities in London. three accused pleaded not ity to the charges.

itons freed

) Britons working on - a ence contract in Iran-Dun and Eric Sant-were d from custody after being uned since Friday by revoluary forces in Tehran.

injay sentence

lay Gandhi, son of the for-Indian Prime Minister, was/ enced to two years' prous imprisonment in /a involving a charge of con-icy to steal a film. His/cosed, Vidya Charan Shakla, omer Minister, received the ' septence.

errilla raid

malist guerrilles using range heavy artillery ked a South African ar South-West Africa. ary headquarters in Windsaid. The guerrillas fired tells but every one missed.

an archeologists have unred the 3.800-year-old tombs he Princes of Ebla, au ent city in Syria.

ut UK second divorces is asing, the Office of Popu-Censuses and Surveys

George-Brown, former ign Sceretary, intends to in Derbyshire as an indecandidate in the elections.

lese twins born just over ick ago at Maidstone, Kent,

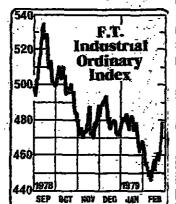
RISES

- 100° F017

BUSINESS

Equities up 10.8; falls $\S^{\frac{1}{2}}$

● EQUITIES benefited from revived institutional support, and the FT ordinary index rose



10.8 to 479.6, its biggest singleday gain for over three months.

GILTS attracted further widespread foreign investment and the Government Securities index rose 1.89 to 69.94.

• STERLING rose 15 points to \$2.0225 and its trade-weighted index at 64.3 (64.2) was the highest since last March. The dollar's depreciation narrowed to 8.2 per cent (8.3).

● GOLD fell \$! to \$2472 in

• WALL STREET was 15.33 down at 805.79 just before the

• TRADED options reached a new high for the second day running, with 1,865 contracts made compared with 1,610 on Monday.

reported moving closer to MAN, the German commercial mala, the capital. Page 1 relicies and engineering to has signed a letter of intent to purchase a majority holding in the U.S. truck manufacturer. White Moior Back Page

> WORLD SHIPBUILDING order book fell to its lowest level for over 13 years last quarter, according to latest returns from Lloyd's Register. Page 3

@ EEC Industry Commissioner has appealed to Europe's largest pharmaceutical rompanies for closer co-operation in tackling pricing and trading issues.

• OECD has drawn up a voluntary code to curb the use of transfer pricing by multinational, companies to reduce their tax liability. Page 2

O BELFAST port is to go abead with /a £20m investment prograntme to modernise dock facilities in the next five years.

CIVIL SERVANTS' unions fare totally opposed to the Government's plan to recruit experienced industrialists to top Civil Service, posts, Page 6

• ROLLS-ROYCE Board have approved plans to set up an aero-engine overhead and repair plant in the U.S.

COMPARIES

• NATIONAL WESTMINSTER Bank pre-tax profits for 1978 rose by 25 per cent to a record £297.4m, on second half profits up from £127.75m to £188.83m. Page 28 and Lex

• COMET RADIOVISION has made a recommended takeover bid of 150p a share for Caledonian Holdings, which values Calcdonian at £15m, and is £8.5m higher than Caledonian's flotation value of £6.5m a month ago. Page 25

 COMMERCIAL reports a recovery in under-writing from a loss of £20.9m to £2.9m profit in 1978, raising group pre-tax profit to £142.2m (199.8m). Page 24 and Lex

• IMI pre-tax profits for 1978 fell from £34.2m to £32.01m on sales 12 per cent up at £524.01m. Page 24 and Lex

London Prov. Shop 167 + 9

Miners' leaders agree to '9%' coal board offer

BY CHRISTIAN TYLER, LABOUR EDITOR

Miners' leaders yesterday gave the Government its best news of the troubled winter wage round when they voted 15-10 to recommend to their 230,000 members a £72.5m offer from the National Coal Board.

Last night no one was putting negotiations percentage or cash value on distinguished he offer, but it appears to be worth at least 9 per cent on earnings. With a promise of an increase in existing area bonus schemes and some special allowances, it could work out at £90m, or more than 10 per cent on average.

The settlement is important for the Government as it provides an opportunity to say that its political alliance with the unions is still working well. The executive of the National Union of Mineworkers will

decide next Thursday whether to put the offer to a pit-head ballot. resterday's decision, which will almost certainly lead to a peaceful settlement, means that the Government has a chance of keeping other powerful groups like electricity supply workers and railwaymen to the same kind of deal.

It could also lend support to the Prime Minister's claim on Monday that this year's increase in national earnings could work out lower than last year's. Both Sir Derek Ezra, Coal Board chairman, and Mr. Joe dard output target at the face Gormley, president of the union. would be increased from £23.50 said after day-long talks that the a week to £26.50. This could be

MY DAVID LENNON IN TEL AVIV

Begin, the Prime Minister, to

attend a Middle East summit

meeting this weekend at Camp

David with Mr. Mustapha Khalil.

The decision plunges the

Egypt-Israel peace negotiations

into the deepest crisis of the

past 15 months and deals

another blow to the prestige of

the Egyptians had adopted a

tougher stance at last week's ministerial-level talks at Camp

David, there was no point in

Mr. Begin attending a meeting with Mr. Khalil. However, Mr.

President Carter if he was in-

Mr. Begin accepting the summit invitation, following the refusal

Egypt to participate.

BY ROY HODSON

of many steel products by about

per cent from April 1 will

be opposed by major steel-using

The Corporation is believed

to want somewhat higher increases for alloy steels, reckoning the British market for those types to be seeded.

for those types to be sufficiently

robust to withstand them. It

may not seek increases for flat products where the market

remains weak and a big volume of imports is giving the British

Steel products severe competi-

A crucial meeting with repre-sentatives of such big steel

users as the car industry, the

Vickers Engineering ... 23

Ford Motor Company Euro-

pean investment plans...

The Cabinet decided that as

Persident Carter.

vited.

the Egyptian Prime Minister.

"responsibility" and full dis-closure of the Board's financial situation throughout.

The offer is in four parts. There is a £27.5m basic increase, contingent on an increase in the Board's operating subsidy, which it hopes to see rise from £174m this financial year to £250m next year. The Board has already declared a price rise of 9 per cent from next month to help meet part of the offer.

Payments

Secondly, the Board has put on the table £45m, which it says will be self-financing and paid for by a separate agreement on efficient working to cut down on stoppages, improve machine running times and travelling times to and from the coalface.

As well as payments in advance for this efficiency, this part of the agreement could increase the miners' own output bonus earnings. Thirdly, the value of the stan-

Begin refuses to attend

Carter Mid-East summit

Mr. Moshe Dayan, the Israeli

Foreign Minister, reported to

the Cabinet on his talks at Camp David last week with Mr.

Mr. Khalil and Mr. Cyrus Vance,

the U.S. Secretary of State.
Mr. Dayan disclosed that

Egypt had hardened its position

on the key question of the link between the Egypt-Israel treaty

and self-rule for the Palestin-

ians living in the occupied West

to see included in the peace

mentation of the agreement with

A Cabinet communique said:
"It is now evident that in the

was made towards an Israeli-

BRITISH STEEL Corporation process plant makers and the charge the higher levels them proposals to raise the prices can makers will be held today. selves for similar products, The

The British Iron and Steel

Consumers' Council complained

last night that British steel

highest charged in the European

Community. It calculates that British prices have risen by 31

with 13 per cent in West Germany, 15 per cent in Belgium,

The council is likely to appeal to the Government against the

general increases would erode

the competitiveness of the steel-

and 9 per cent in the U.S.

nt since 1976, compared

steelmakers are certain to before April 1.

Britain's

defence research 32

For latest Share Index, phone 01-246 8026

Steel users oppose price rises

Bank and Gaza Strip.

with Mr. Khalil. However, Mr. treaty. Israel opposes any Begin said he would meet binding links between imple-

ited. Egypt and progress on the The Cabinet voted 14-2 against Palestinian issue.

of President Anwar Sadat of Camp David talks no progress

worth eventually some £2.50 a week for the miners on top of the £72.5m package.

Mr. Gormley said there will be an improvement in the unsocial hours payment of 5p an hour, and a joint working party to cont rise due by October this to consider the old claim for washing and winding time pay. Arabian light, the marker which should produce money crude, is \$13.34 from next January.

The deal would run from March 1 for 12 months.

Claims for a four-day week and earnings protection for men forced to return to the surface have not been met.

If yesterday's money is spread evenly, it could be worth £6.50 a week, according to some union estimates. The increase on the old basic rates, un-changed since 1975, could be as much as 13 per cent, but much of that would come from consolidation of the Phase Two incomes policy supplement.

The union had demanded rises of between 20 and 40 per cent, to raise minimum earnings of the face-worker from £78.44 to £110 a week, and to give the surface worker a new basic of

Egyptian delegation.

"In addition to the previous

Egyptian proposals which were

innacceptable to Israel, new pro-

meaning of the peace treaty between the two countries."

Egyptians had counter-proposals and in-

the Cabinet decided that the

Prime Minister is in no position

to participate in the proposed meeting with Mr. Khalil," the

The Israeli Government does

not foresee a resumption of the

ministerial-level talks, but ex-

Continued on Back Page

selves for similar products, The

British Independent Steel Pro-

ducers' Association said yester-day that its members would be

prices until British Steel gives

Because the basic forms of

steel fall under the provisions of the Treaty of Paris, they are

outside the jurisdiction of the

But some products for which

Prices Commission.

Bearings

Airliners

prices are already among the unlikely to take any action on

to the Government against the higher prices are sought may proposals on the grounds that fall within the commission:

communique continued.

The Cabinet declared that the

Under these circumstances.

Iran oil exports start on Monday

By Kevin Done in London and Simon Henderson in Terhan

IRAN IS to resume oil exports on Monday, but the first limited sales will be arranged directly by the National Iranian Oil Company and are likely to got the highest bidder.

Mr. Hassan Nazih, NICO, managing director, said yesterday that he hoped for prices of between \$18 and \$20 a harrel; before the crisis broke in Iran last autumn, the official selling price of Iranian light erude was £12.81 a barrel, with a 14.5 pe

executives, however, NIOC has attitudes among City institute apparently made a direct tions in the last fortuent aproach to at least two independent U.S. oil companies. The new long-dated stock.

UK rationing

Several UK oil companies have started to ration supplies of oil products, such as petrol, heating oil, diesel and fuel oil, to their dealer and distributor networks, because of the short-age of crude oil on world markets. Back Page

Ashland and Amerada Hess. offering export cargoes at \$24 barrel for light crude and \$23 for heavy. Ashland is reported to have shown no interest.

Iran's move to sell its first export cargoes of crude since day since mid-November. December 26 on the open spot market has created fresh uncertainty in world oil mar-

Before the revolution most of Iran's crude was produced by a a rise in gift yields. There is consortium of Western oil com- also now greater market confipanies, led by British Petroleum, dence about the Government's which had a 40 per cent share, commitment to its monetary Apart from NIOC's direct sales. most of tranian export crude the stability of sterling. was lifted by consortium core-Mobil, Texaca, Guif, Socal and attracted by the high return to the UK relative to the rest Total.

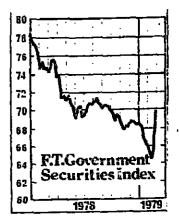
The Americans had hoped to Egyptian agreement. On the rejected President Carter's start the meeting tomorrow or contrary, a more extreme positivitation to Mr. Menahem Friday. Mr. Nazih said yesterday that of the world. tium was under review. "We Monday, the pound made only will not be willing any longer to deal with the consortium under the past conditions. We will not give any discounts."
It is understood that crude

posals were made which are inconsistent with the Camp was previously sold to the con-David agreement of September sortium at a discount of 18 cents a barrel, :17, 1978, and in fact nullify the Some members of the con-

sortium had feared that Iran would sever all links with it, but Mr. Nazith's statement yesterday suggests that the new Government would be prenared to renegotiate the marketing agree-Continued on Back Page

The Egyptian Prime Minister counter-proposals and in-reportedly proposed detailed sisted that the Egyptian pro-formulations which it wanted posals be accepted. Other developments Page 4

STERLING



Gilts and £ rise sharply

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

PRICES OF gilt-edged stocks small gams yesterday, portly and equities rose sharply yes because of a late rally in the terday and sterling advanced dollar. Sterling closed 15 points

The new long-dated stock, 2000-03, jumped by 23 points to £21, where it is showing a profit of 45 per cent over the 215 per cent partly paid issue price of last week. This is a record gain on a gilt-edged issue in such a short period.

Dealers reported a shortage of stock in the absence of any official taps on offer. This was reflected in a 2° per cent in-crease in the FT Government Securities Index yesterday for a rise of 8, per cent since the 1978-79 low earlier this month. The enthusiasm has also in-fected the equity market where

the FT Industrial Ordinary The strength of gills and, more recently, of equities has occurred since the rise in Minimum Lending Rate nearly three weeks ago, which led to

and borrowing targets and to This view has in panies, including Shell, Euron, affected foreign institutions,

against other major currencies, higher at \$2,0225 while the According to U.S. oil industry (as the turnround in investment (trade-weighted (aider increased since mid-March 1978. Since the low point for tinan-

eral markets three weeks ago. this index has risen by more than 11 per cent, while sterling has gained at per cent against. the recently week Japanese yen. The Bank of First and appears

in have intervened occasionally, as it did yesterday, to check the rise, though inflows of forcion currency have so for unparently been on nothing like the scale of 1977.

The authorities do not appear. to be particularly corried about the impact of the collows on the control of the money supply; they are more concerned about the effects of the current exshare index jumped by 10.8 to chance rate or the competitive 479.6, the biggest increase in a position of British coods in view of the rapid growth of unit labour costs.

There are differences of emphasis, both within and between the Treasury and the Bank of England, but any significant relacation of exchange controls appears to be have been ruled out for political reasons, at least until the election. The authorities seem to be

taking a wait-and-see attitude on the domestic monetary front and appear to be in no hurry to issue new tap stocks or to reduce Minumum Lending Rate from its present 14 per con-

Editorial comment Page 22

FFI Eurosterling bond

interest in gilts has prompted Finance for Industry, an agency owned by the electing banks and the Eauk of England, to issue a fitten Eurosterling bond. This is the first such bond to have been issued since last April.

The new bond will carry a coupon of 13 per cent and will be priced at par. The bond

will mature in 1991, though its average life will be nine Back Page

f in New York

\$2,0210-0220 <2,0135-0145

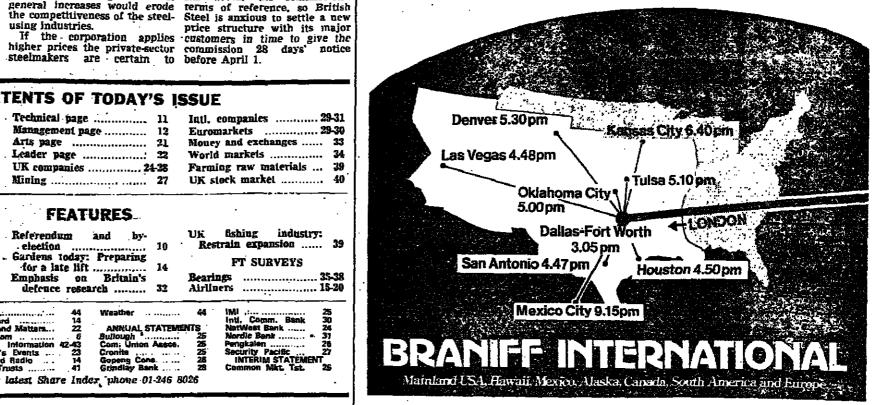
1 month 0,39 0,34 a 5 0,42 0,36 4;5 5 months 1,00 0,45 as 0,97 0,57 d;5 12 months 5,25.5,05 d;5 3,25 2,90 d;5

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Here are some sample arrival times:



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CONTRICTO OF TOPAL S 1990E						
European news	8 UK companies, 24-28	Intl. companies				
	FEATURES					
Faint signs of a thaw in Korea 22 The threatened closure of Vickers Engineering 22	- Gardens today: Preparing	UK fishing industry: Restrain expansion FT SURVEYS				

for a late lift ...

Emphasis on

Lemberd
Mon and Matters...
Saleroom
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TV and Sadio

using industries.

es in pence unless otherwise indicated) Jacksons Brne. End 148 + 8

15 pc 1998 121; + 2; 15 pc 1998 121; + 2; Props 103 + 11 1 Dairies 220 + 14 Inds 320 + 11 11 (G.) 126 + 8 Circle 272 + 15 27 McConnell 272 + 14 1 (J.) 424 + 12 2 m A 233 + 12 0 onian Hidgs 141 + 10 1ercial Union 154 + 5	MFI Furniture
in	FALLS Campari

EF PRICE CHANGES YESTERDAY

Sweden -

detains

Aeroflot

hijackers

Swedish police have taken into

custody two men and two women

airliner after taking it over shortly before it landed at

Arlanda airport near Stockholm,

writes John Walker in Stock-

holm. There were 24 passengers

Italian farm prices

Italy wants higher EEC farm

issue of agricultural prices at

a meeting in Brussels on

Romania—EEC talks Romania yesterday became the first member of Comecon

to begin negotiations with the Common Market on a trade

aboard.

who threatened to blow up

Court rules on validity tomorrow

BY ADRIAN DICKS IN BONN

THE FEDERAL Constitutional Court in Karluruhe, West German's highest judicial body, is stitutional validity of the 1976 worker participation Act.

According to several newspapers, the court will reject a challenge to the Act brought in the summer of 1977 by a group of 29 employers' federations and nine big industrial companies. Court officials refuse to comment on the reports.

Should the claims prove correct, the Constitutional Court will have removed the most obvious of the public differences between the two sides of West German industry. But should the Court uphold the employers'

Commission

warning

to drug

companies

By Giles Morritt in Brussels

EUROPE'S main pharmaceuti-

cal companies have been

closely with the Brussels Com-

Viscount Etienne Davignon.

mission on questions of drugs pricing and trading.

the EEC Industry Commis-sioner, speaking at the first -general meeting of a powerful

new trade grouping in Brus-

sels yesterday, warned that failure to consult could be to

the pharmacentical industry's

He told delegates to the

conference of the Brussels-

based European Federation of

such co-operation had been

little in evidence in the past.

plain that the European

Commission is examining the

practices of drug companies

producing or selling in the

By the end of November 1980, the Commission is due

to submit proposals to the

Council of Ministers on reducing the substantial bar-

riers to the free movement of

medicine inside the Com-

munity, and during this year

is to set up a special hody

to investigate the wide price

disparities that exist in

The Commission's activities

come at a time of growing

concern over the policies of

the European pharmaceutical

giants. A recent report by the

Boreau Europee de Union de

Consommateurs, which links

the consumer organisations of

the Nine in Brussels, charged

the industry with setting prices in different EEC

countries simply on the basis

of what the market would

Only a fortnight ago a European Court of Justice in

Luxembourg upbeld a 1976

Commission judgement that

Roche had abused its damin-

ance of the vitamin market.

while reducing the fine on

the company by one-third. Viscount Davignon empha-

sised that the Commission is

aware of the cases in which the pharmaceutical industry

infringes the Rome Treaty's articles 30 and 55, which con-

cern quantitative restrictions

But he suggested that a

positive approach than turn-

ing to the available legal

machinery would be for the

Commission and the industry

to determine jointly the degree to which harmonisa-

tion is practicable. Mr. G. J. Wilkins, president

of the EFPA and chairman

and chief executive of the Beecham Group, has wel-comed Viscount Davignon's

He Indicated that the new trade group, which brings to-

gether the previously separate EEC and EFTA associations.

is aimed at developing a much

closer working relationship with the Commission.

FINANCIAL TIMES published daily except Sundays and holidays. U.S. subscription rate \$55.00 per annum. Second class postage paid at New York, K.Y. and at additional mailing

call for co-operation.

Switzerland's

Hoffman-La

various member states.

Viscount Davignon made it

urged to co-operate more

objections to the Act, an out-burst of anger is likely from the crat coalition of Chancellor Helmut Schmidt would also be

want clarification of its meaning for the constitutional right of property-owners (in this case shareholders) to do as they wish with their property. The employers argued that this right has been called in question by the Act's requirement that supervisory boards of companies should be composed of equal numbers of shareholders' and

employees' representatives.

trade unions. The cohesion of Ministers, have pointed to the neither side could be expected the Social Democrat-Free Demounanimous parliamentary to be fully satisfied with such approval of the Bill and to the a solution, it appears unlikely fact that the chairmen of the that either would attempt to newly constituted supervisory take the matter further. Lawyers for the employers boards have come from the side have argued that they do shareholders side in almost not oppose the Act as such but every case and are armed with

> the owners. The reported version of the judgment would appear to accept the union and Government view of the Act, while policy which were endorsed by of workers participation (as the unions would like to do) would indeed cross the frontier.

The unions, with the support what the court thinks constitu-of three Federal Cabinet tionally acceptable. While a solution, it appears unlikely Moscow-bound Acroflot TU 154

From the Government's point a second tie-breaking vote that appear to be open to press the guarantees ultimate control by unions to return to the concerted action conference-the periodic round-table meetings that for over a decade set out basic assumptions of economic

OECD unveils its code to curb transfer pricing by multinationals in a magazine interview, Reuter reports from Rome. EEC Farm Ministers are due to discuss the

A VOLUNTARY code aimed at recommend that multinationals investment, covering both the curbing the use of transfer should adopt the same pricing responsibilities of the multipricing by multinational compolicies as those followed by nationals and those of govern-

it supplies. diaries are in different countries, transfer pricing can be operated to ensure that most profits are earned in the area with the lower tax rate.

According to an OECD under review. spokesman, the 24 member A spokesman countries have reached consensus on a broad code which had been drawn up with the existing code, also voluntary, co-operation of some multi- which was approved by the national companies. The recommendations, produced by the OECD's committee on fiscal will be formally presented to member countries in April and a full report will be published in July.

in essence, the guidelines will the climate for international during May.

BY PAUL LENDVAI IN VIENNA

has unanimously adopted a law

THE AUSTRIAN Parliament small Freedom Party.

After initial resistance, the January, 1984.

which provides severance pay phased in gradually, and from

for manual workers on the basis next July 1 workers will be

enjoyed by white-collar em-ployees since 1921. The scheme of the severance pay agreed for will come into full operation their job. Each year, 20 per

after a five-year transition cent more will be payable,

panies to reduce their tax liabi-lities has been drawn up by the apply to the transfer pricing of framework within which com-Organisation for Economic Co-resources such as goods, panies can operate, operation and Development services, patents, royalties and Host nations are loans, he said.

the system under which one able to move profits artificially of other countries in designing company subsidiary charges from high tax countries to low another for goods or services tax countries, thereby avoiding international investment. Where the subsi- considerable tax liabilities.

unlikely to make any changes to A spokesman said that the committee engaged in the review was satisfied that the

fectly satisfactory."

The OECD guidelines are NKr 89.6bn from NKr 96.2bn.

This verdict will be given to the OECD's annual ministerial meeting later this year, he pre
meeting later this year, he pre
employers in the host country.

The OECD guidelines are NKr 89.6bn from NKr 96.2bn.

W. German recovery which was approved by the than those of comparable with NKr 76.3bn the previous

Benefits to workers will be

rising to the full amount in

tion People's Party and the number of small and medium- cial circumstances.

Host nations are expected to take into account the interests steel and textiles which are of other countries in designing incentives (or disincentives) for ments. Common Market officials

Meanwhile, the OECD is are recommended to follow in local politics, disclosure of information such as intra-group

duct, which is due for discussion be published in July.

The code was introduced by at the UN's Commission on Mr. K. Messere, head of the the OECD as part of a package Transnational Corporations

give the same treatment to agreement, Reuter reports from foreign-controlled companies as Brussels. The aim is an accord The OECD has spent at least Many governments have foreign-controlled companies as five years working on guidelines expressed concern in the past to national enterprises and to on all sectors of trade, except for transfer pricing, which is that multinationals have been take into account the interests steel and textiles which are

For their part, multinationals Norway trade gap certain guidelines in conducting Norway's trade deficit narrowed its international investment their operations in OECD coun- sharply to NKr 1.9bn (£185m) guidelines for multinational tries — they include refraining in 1978 from NKr 19.9bn enterprises, which are currently from any improper involvement (£1.93bn) the previous year. preliminary figures from the Central Bureau of Statistics pricing, and observing standards show, Reuter reports from Oslo. of employment and industrial Exports of goods and services Exports of goods and services relations not less favourable totalled NKr 87.7bn, compared

West Germany's economic recovery is gaining momentum despite the harsh winter and Corporations the effects of a six-week steel OECD's tax division, said that, of measures aimed at improving next meeting in New York strike which ended last month, the Economics Ministry said yesterday. Reuter reports from Austria agrees redundancy law

Bonn. Although unemployment in January reached 1,170,000, the highest figure since 1975, the Ministry attributed this to sized concerns affected by the Cyprus to save fuel Cyprus is to step up efforts to The Government and industry conserve oil and is embarking

disagree about the likely cost of on a programme to develo solar the scheme. The latter estimates energy for domestic and agricultural purposes, writes our total costs of Sch Sbn (£110m). Nicosia correspondent. Mr. A. while the Government antici- Nicosia correspondent. Mr. A. pates a figure of about Sch 1.5bn. Papageorghiou, the Minister of Commerce and Industry, says
Retirement age is 65 years for Cyprus spent C£31m (£43.4m) draft Bill submitted by the This sliding scale, as well as men and 80 years for women, on oil imports last year—repre-ruling Socialist Party was also some other fiscal concessions, but the new legislation will senting 11 per cent of all imapproved by the main opposi- were agreed in view of the large allow earlier retirement in spe- i ports and 30 per cent of domestic exports.

Turkey prepares for Paris aid talks as 1979 budget settled

Mr. Ziya Muezzinoglu, the Turk-dustry to function in a more ish Finance Minister, is expected to leave for Paris this week for talks with the OECD which is co-ordinating a multinational change of views rather than emergency aid programme to negotiations. With the budget salvage the Turkish economy. and the action programme in

A Swedish man, an Indian The talks were scheduled for last week in Bonn, but were put man, and a Brazilian and West German woman boarded the flight in Oslo, and apparently off at Mr. Muezzinoglu's request. He wanted to stay in Ankara to took it over to protest against conditions in the USSR. The see the legislation of the 1979 budget through and launch an action programme designed to Brazilian women, and perhaps other hijackers, have sought political asylum in Sweden.

stabilise the economy.

The budget, amounting to the equivalent of some \$16bn, was passed yesterday by a National Assembly vote of 228 against prices or a devaluation of at least 10 per cent of its "green lira," Sig. Gidvanni Marcora, the Agriculture Minister, said

The action programme is ex-pected to be announced before Mr. Muezzinoglu's trip to the disagreement the Cabinet Guadeloupe summit where the should complete its package in leaders of the U.S. IVE Factors a few days.

It is understood that the widely expected devaluation of the Turkish lira will not be a and Arab oil states polled by part of the package. Mr. Ecevit Mr. Van Lennep was "largely is reported to feel that a positive," diplomats here say. devaluation would be of no benefit to the Turkish economy until what measures Ankara planned there is an infusion of fresh to take to reactivate its sus-

\$80m grain case verdict upheld

NEW YORK - Continental Mahsulleri Ofisi, the Turkish pay a subsidiary of the company \$80m (£40m) as a result of defaulting on a grain sale

The award, believed to be the largest of its kind, includes damages and interest. The case arose out of a deal

funds which would enable in- pended relations with the IMF.

However, they wanted to know

help Turkey.

The Paris talks are described

by Turkish officials as an ex-

and the action programme in his pocket Mr. Muezzinogiu

hopes to convince the OECD—and through it the Western

states and the international financial community—that his

government is serious in its

efforts to come to grips with Turkey's worst economic crisis.

OECD Secretary General, and

Herr Peter Hermes, the State Secretary of the German Foreign Ministry, will brief Mr. Muezzinoglu on Turkey's pros-

pects for raising funds through

the OECD.
The Organisation's co-ordina-

The reaction of the western

Mr. Emile van Lennep, the

Grain said yesterday that a Government grain organisation, British court had upheld a for the sale of 350,000-385,000 decision requiring Turkey to metric tons of wheat.

After the arrangement, the grain price dropped below the price Toprak had agreed to pay, the company said. Subsequently, the Turkish Government "refused to allocate foreign exchange for the letter between Finagrain. a Conti- of credit under which deliveries neptal subsidiary, and Toprak were to be made."

Irish economy forecast to grow 5% this year

grow by 5 per cent this year, monetary system (EMS) will according to a forecast in the get under way and that Ireland quarterly review of Allied Irish will receive the agreed grant in Banks. This compares with the 1979. Dr. Menton, however. Government's target of 6.5 per cent and the opposition's ex- the EMS to result in inflation pected 4 per cent.

The banks' forecast, compiled by Dr. Brendan Menton, a former senior adviser to the the extra growth coming from the build up of stocks in agri-culture and industry, plus the assumption that the Government will not meet its target. for reducing public spending.

double figure inflation to return. provide Ministers with hope of 5.5 per cept. It also opposition

does not expect membership of falling before 1980.

He is optimistic about exports which he predicts will grow by 12 per cent, basing his expectation on an assumption that world trade will grow by 6.5-7 per cent this year.

Although the review's growth projection is below the Government's, if correct it would give Ireland the highest rate in the for the Socialists (PSOE). EEC for the third successive 1 The review also expects year. In the meantime, it will munists and CD are the four way outside the Government's tion in their battles with the

David Marsh, in London, and FT correspondents in Paris, Vienna, Lisbon and New York chronicle the battle to attract Ford's planned \$1bn. car plant investment

The pace hots up in Ford's great car race

A TUSSLE of grand proportions ing considerably Ford's ultrais being fought out in Europe modern plant at Almustafes involving the personal prestige near Valencia and-somewhat of the French and Austrian to the motor company's pique-heads of government, the jobs sent no more senior a figure of thousands of workers, and the investment plans of one of Ministry of Industry to lead the the world's largest multi-negotiations. national concerns.

At stake is the location of Ford Motor Company's planned European assembly plant, to come on stream in the early 1980s as part of its plan to sustain its position as the Number 1 U.S. motor concern outside North America. The plant will bring around

\$1bn in investment and 8,000 permanent jobs to whatever country plays host to it-a sizeable carrot to the French, Austrian and Portuguese governments, which have emerged as the main bidders for the prize.

Showing the strength France's uest.
manufacturing inv
Valery
Valery France's desire to attract fresh investment. Giscard d Estaing will meet Henry Ford II late next month to throw his own personal weight behind the bid to bring the plant to the jobstarved steel-making region of Lurraine in north eastern France.

In Austria. Chancellor Bruno Kreisky himself has negotiated three times with senior Ford executives hoping to persuade the company that the site offered at Aspern near Vienna is best suited to Ford's needs.

Portugal-very much an out-sider compared with the French and Austrian challengers — entered the field less than a fortnight ago, sending a Government team to Ford Europe's UK headquarters for top-level talks about developing a site at the huge industrial complex at Sines, south of Lisbon.

Spain, which at the onset of the negotiations last year was regarded as a favourite to get the plant, has all but dropped out of the running. The Government, with next month's General Elections more on its mind. showed only lukewarm enthusiasm about the idea of expand-

Not averse to the sace being kept as open as possible. Ford stresses that Spain has not been entirely ruled out, and says it will make a definite decision on where the plant will be sited by the middle of the year. It will be weighing up yery plainly the various incentive

schemes on offer from the competing Governments together with the logistics—and politics of where the plant will best fit in with its existing network of European factories employing more than 140,000 people in 15 countries. Austria has offered Ford

optimal conditions," according to Chancellor Kreisky. Although the Government is not willing to engage in what he called "life death competition with others," there is no doubting the economic importance which Austria — a big importer of cars from West Germany attaches to having its own car

Apart from the Chancellor himself, Herr Hannes Androsch. the Vice-Chancellor and Finance Minister, and Herr Leopold Gratz, the Mayor of Vienna, have both held talks with Ford management to put the Austrian

Aspern, has a fully developed infrastructure and is close to a which could be particularly help-Danube canal is completed. In addition to investment

grants totalling over Sch. 4bn ment in the area (almost £150m), the municipality of Vienna is also willing to offer the site free of charge. Furthermore, the Furthermore, the Austrians their own offer of some have given concrete guarantees FFr 750m. The Austrians will providing a trained labour force and facilities for training skilled workers.

Austria is also making much



its proximity to Eastern European markets, the lack of competition from any indigengrants. But Lorraine can offer Ford motor industry; and its above-average labour relations-

This last point is viewed as the Achilles' heel of the French authornies' bid to tempt Ford to Lorraine The Ford top brass who descended on the region in a notilia of helicopters two weeks ago for talks with local dignituries, businessmen and trade unionists let it quietly be known that they were worried about the labour unrest in the They can hardly have been reassured by last week-end's violent attack on the police station of Longwy in Lorraine by steelworkers em-bittered by rising unemploy-

there has been no major indus-

trial strike for the past 15 years.

The French also admit that the Austrians can provide much more financial assistance than also he able to give more tax advantages, although the French aid, provided under its new special industrial adaptation

fund (FSAI), will be at special cheap rates of interest or direct

a pool of labour, well-developed mechanical skills, and proximity to its factories and suppliers in West Germany.

On the political front, France clearly has some sound cards to play. Ford has not invested heavily in the country as yet (although it has a gearbox plant at Bordeaux), and the company wants to push up its market share in France. In addition, Ford is aiming to pull out of Richier, the French construction equipment group it bought 1972, and which employs 2,600 workers. The Government can argue, therefore, that France's turn has come round for a considerable investment.

The French willingness to play Ford's game of public auction represents something of a climb-down for the Govern-ment. Since the days of General de Gaulle the objective of French policy has been to create a strong, domestically controlled industry powerful enough to stand up to overseas competitors, particularly from

Renault and Peugeot-Citroen, the two big French companies which at present control all of the car manufacturing, about the expenditure of public funds on one of their strongest rivals. Lorraine, however, have pushed

these reservations into second This bleak north eastern area of France is creating acute problems for the Government's industrial policy and could threaten the survival of the Government itself. If the plan to restructure the steel industry is to survive. with the con-sequent loss of some 23,000 jobs. alternative employment has to be created from somewhere. A motor industry plant. employing 8,000, and spinning off into a range of component companies.

would provide the ideal answer. The Portuguese Government has similar good reason to woo Ford. A decision to set up a plant at Sines would not only alleviate the financial difficulties troubling the industrial complex there, but would also help decisively in the government's efforts to curb growing unemployment in the surrounding agrarian belt of the Alentejo.
The Portuguese Government

is bending backwards to give Ford wide ranging assurances on tax relief as well as on the more delicate subject of labour relations. Portugal's present labour legislation, drawn up as a result of the 1974 revolu tion, makes it almost impossible to dismiss staff, provides for compensation for dismissed workers and lays down generous holiday and annual bonus pay ments. The Portuguese Government is believed to be consider ing a new labour code that would bring Portugal into line with the EEC.

Other incentives will be included in new legislation introducing a system of preferential motor companies contemplating major investments in Portugal.

across the Atlantic Predictably. the European market in the there is some anxiety at both light of studies which foresee a much higher growth rate for car demand on foreign markets. than at home over the next few

The proposed plant, with a capacity of around 1,000 cars a day (probably a mix of the Taunus and new Erica models) is planned to plug a shortfall in Ford's European capacity which it feels would otherwise develop from around 1983

Meanwhile, in the face of all this activity by its arch rival; General Motors—the world's largest car company, which, however, plays second fiddle to Ford on international marketshas not been idle. GM has been showing

renewed interest in inter-national development, withcoincidentally enough Spain and Austria among the countries in which it is considering investment. In the past few days France has let it be known that it is also talking with GM about a similar car assembly plant in Lorraine. Whether this represents nothing more than a last minute negotiating ploy to show that

Ford, after all, doesn't hold all the cards, or whether GM is really mounting a challenge to Ford over the Lorraine project, is just one of the many intriguing questions waiting for an answer over the next few months.

General sets the pace in Granada

BY ROBERT GRAHAM

PARTY OFFICIALS in Granada talk about "winter elections" and "summer elections." They have good reason to do so. Granadines like to do things outside and in warm weather, but torrential rains and unseasonal cold has forced the Spanish general election campaign indoors—into hotels, bars. cinemas, schoolrooms, and, in the countryside, even barns.

The campaign on the streets seems to be being waged by proxy through the mass of posters that this town's 40,000strong student population has needed little encouragement to plaster on walls, pillars and

The most striking poster campaign is that being waged by Coalicion Democratica (CD)—
the coalition of right-wing
forces grouped around the
veteran Franquist minister Sr. Jose Maria Areilza and his friend Sr. Manuel Fraga, leader of Alianza Popular (AP).

The campaign is striking not for its originality but for its sheer energy and the obvious amount of money behind it. A particularly ubiquitous poster is one on black with the slogan etched in white: "Prieto-Law

General Prieto is the only member of the military estabishment standing for Parliament. Eased out of a senior Guardia Civil post last year, he has been embraced by the recently formed CD party as a prize candidate. Gen. Prieto on his own admission is standing to ensure that the disaffected military has a say in Parliament

Here in Granada he is a wellknown figure. For close on 30 years his military career has been associated with Granada, including his period as the commander of the Guardia Civil. His critics say he regards Granada as his fieldom.

Nothing would give certain sections of the armed forces and police, plus the entire rightwing bloc in Spain, greater satisfaction than to see Gen. Prieto obtain one of the seven seats being contested here for the Lower House of Parliament.

It would be interpreted as a direct rebuff to the Govern-ment's policies. Precisely because of this, his candidature has threatened the voting pat-tern of June 1977 which saw four deputies returned for Sr. Suarez' Union de Centro Democratico (UCD) and three UCD, the Socialists, the Com-

parties in the ru share of the seven seats for the lower house for Granada city and province. But of these, CD is undoubtedly the joker in the pack. Because Gen. Prieto is something of a public figure (and a personable one) he could draw votes in his own right. In the June 1977 elections Sr. Fraga's AP party obtained 6.9 per cent of the vote from the same base on which he is now counting - conservative land-

owners, bureaucrats and the prosperous bourgeoisie that is well established here. This base can only be enlarged by attract-ing disaffected members of Sr. Suarez' UCD party or looking further to the right among the Fascist groupings. The other three parties are all

presenting uncontroversial lead candidates, who reflect faithfully the kind of images they are seeking to project nationally.

All three are lawyers. The main UCD candidates, Sr. Antonio Jimenez Blanco, headed the UCD group in the Senate (upper house) and is a native born Granadine. Sr. Jose Vida Soria, the main Socialist candidate, was on the constitutional drafting committee in the Senate and teaches at Granada University.
The principal Communist can-

didate. Sr. Jaime Ballesteros, is a member of the Central Committee. On the whole they are pitching the campaign on national issues and at a national level-jobs, inflation and responsible government. Yet when there are so many pressing local issues out of which political capital could be made, this is quite surprising. Granada ranks in income

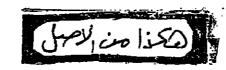
terms 49th out of 50 provinces in Spain. The city itself is a controlled modern development. Starved of good road communications, industry was not really established itself here while insufficient use has been made of tourist potential.

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Indonesia

buys six

Airbuses

By Michael Donne, Aerospace

wide-bodied A-300 airbuses,

than £125m (\$250m).

GARUDA, the national airline of Indonesia, has placed a contract with Airbus Industrie for six

an option on six more. The deal

including spares, is worth more

Deliveries of the first Airbuses

will be made to Garuda at the

end of 1981 and in early 1982. The order makes Garuda one of

the biggest buyers of this air-

craft.
It brings total orders from 21

customers to 189 aircraft (130 firm and 59 on option), with

commitments for at least an-

other 60 of the smaller A-310

version, involving in all 349 air-

aircraft have not yet been selected. They could be either

The engines for the Garuda

Toyota to cut production page because of fall in exports

OTA MOTOR, the giant of the spring last year, the pro-Japanese motor industry, jected decline was in line with the paring its production their own schedules. "1 rather sharply over the three or four months comd with a year ago as exports inue to drop and overseas. ie company has forecast a

ction in January-June outof about 10 per cent from levels to around 1.38m The monthly production res could. however, be showannual declines of up to por cent by May, while ch and April output is med at 15.4 per cent and per cent respectively below ai Shimbun, a leading finan-

The average monthly production figure under the present target comes to 230,000 units. Output in March, 1978, was 274,153 units (including knockdown cars which are counted separately this year), followed by 245,297 units in April and the all-time record for a month of 277,351 units in May. Nihon Keizai reported Toyota will produce this year 232,000 units in March, 223,000 units in April and 222,000 in May. During the half-year about 30,000 knockdown units will be produced.

The problem of the decline in daily. exports became evident in the oyota would not comment on latter months of 1978 as the reported figures but did impact of the appreciation of at the 2.86 that, given the record the Yen on its exports to the (plus about the production levels hit in huge U.S. market combined with packages).

the disruption of exports to of care in Saudi Arabia. It is speculated in the motor industry that Toyota failed to act quickly enough to hold back shipment to the Saudis, and has high

levels of stocks in the U.S.

Nissan Motor, the number two car producer, took steps to bold down skipments to the Middle East much more quickly and conducted a successful U.S. sales campaign in December and in January to get rid of 1978 model stocks. Nissan expects that its production for the year will be up, but only slightly, to

Toyota, hoping that exports will begin to show some recovery by the latter half of 1979, plans to keep production at the 2.86m units built in 1978 (plus about 70,000 knockdown

Nissan in new Swiss sales drive

businessman wbo ame a millionaire building Bank which has also taken a sales of Datsun cars in the h a major shake up in the ianese cars.

he reorganisation is being ried out at the instigation of san Motors, second largest Japanese car concerns i maker of Datsun vehicles.

organised by the Swiss Credit shareholding on its own has been drafted in to help account. Previously the company was owned by a Dutch

Since 1972, when Datsun cars achieved 3.3 per cent of the Swiss market and sold 8,500 cars, sales have slipped to 4,500 a year and a market share of under 2.2 per cent. This is The Swiss distribution come "totally inappropriate to our Datsun deal my has been taken over by a position as one of the world's Switzerland.

OCTAV BOTNAR, the group of private investors big four manufacturers," says Nissan. Mr. Boinar was asked by

Nissan to act as consultant to the new Swiss shareholders. Neither he, Datsun UK nor Nissan have any shareholding in the reorganised Swiss company. Major executive management changes have been made—the Swiss company is still looking for a new managing directorand Mr. Botnar is concentrating on expanding and improving the Datson dealership network in

UK urged to invest in services

BY MAURICE SAMUELSON

e need for investment in mufacturing industry and ould pay more attention to in services, Mr iichiro Matsuo, president of arubeni, one of Japan's bigst general trading companies, id in London yesterday.

Mr. Matsuo was speaking on e second full day of a visit plore ways of boosting UK

e mission, said that Japan

UTAIN is "obsessed" with country had passed the period of its main economic growth. As he was speaking, other clothing, and machinery. members of the mission, repre-

> Japan and the EEC have. made some progress in their major round of tariff-entting talks and the shape of a final pact is beginning to emerge, officials on both sides said in

Mr. Matsuo, who is leading senting 62 companies, were self was concentrating on country. Besides a group views, he said that Japanese retinent in services and ter- examining investment prospects to ders had already contributed my industry now that the in the UK, it includes thems, to UK exports to third countries.

specialising in foodstuffs and consumer goods, textiles and

The purpose of the mission is to narrow the UK-Japan trade gap by expanding UK sales to Japan rather than limiting sales in the opposite direction. Mr. Matsuo said.

Last year's "sharp increase" in Japanese imports from the UK had demonstrated that long years of effort by both countries were finally paying off, he said.

senting 62 companies, were Stressing the value of visiting various parts of the Japanese investment in UK ser-

may act to curb price of chemicals

THE WEST GERMAN Federal Cartel Office has taken what it sees as preventive action against excessive price increases for chemical products in the wake of recent rises in crude oil-derived feedstock costs.

In a letter to Herr Kurt Lanz, a director of Hoechst who is President of the European Chemical Federation, the head of the Cartel Office, Herr Wolfgang Kartte, warned that public discussion of price increases in the 20-50 per cent range could be an infringement of the Act against limitations on com-

Repetition of remarks attrihuted to Herr Lanz by press reports could result in heavy fines, Herr Kartte wrote.

A spokesman for Hoechst said that Herr Lauz had been misreported, and that he had not discussed specific price Hoechst has not so far

expressed any view on the price consequences of steep rises in the cost of naphtha and other feedstocks, but German chemical executives are privately talking about average increases closer to 10 per cent than to the much higher figures quoted in a Press conference which Herr Lanz addressed in Brussels 10 days ago.

Herr Kartte's warning was described by a Cartel Office sunkesman as a "shot across the bows" of the chemical industry, influenced in part no doubt by price increases already notified by ICI and other European producers.

Taiwan auotas

FOLLOWING a rapid rise in imports, a restriction has been introduced on imports into the BEC of knitted tracksuits from Taiwan.

Annual quotas for the four years 1979 to 1982 have been imposed by the EEC Commission after representations by the UK and other member

The UK quotas are: 1979-130,000 pieces, 1980—165.000 pieces, 1981—183,000 pieces, 1992-201,000 pieces. Quotas for imports of this product into the UK were not

included in the arrangements for textiles and clothing im-

W. Germany World shipbuilding orders slump to 13-year low

WORLD shipbuilding

All of the major shipbuilding countries saw their order books shrink. Meanwhile the industry as a whole was turning out ships during 1978 at almost exactly twice the rate new orders were being received.

The latest returns from Lloyd's Register of Shipping show a total world orderbook of 25.8m gross registered tons at the end of December, compared with 36.7m grt a year

Almost 69 per cent of this order book is due for delivery by the end of 1979, indicating that conditions are going to continue

cent of the industry's orderbook. orderbook indicates prolonged order book slumped to its lowest with a lowest level for over 13 years last is taken by Brazil with a large quarter as the effects of the Brazil's shippards are to a large extent cushioned against the recession by Government-backed ordering programmes.

Behind Japan and Brazil come the following countries, showing their orderbooks at the end of last year and the figure for one year earlier in brackets—U.S.: 2.6m grt (3.6m); France: 1.5m (2m); Poland: 1.4m (1.8m); Spain: 1.3m (1.9m); UK: 1.2m (2.2m); Sweden: Im (2.1m) and South Korea: 0.7m (1.1m).

In December, 1977, there were 10.3m grt of oil tankers on order, compared with 6.5m grt at the end of 1978 and 10.7m grt of bulk carriers, compared with 5.9m grt.

In the general cargo classifi-

overcapacity problems for this

A large number of orders for bulk carriers and tankers were converted into general cargo ships as owners sought to avoid outright cancellation when the gravity of the recession became

The countries making the largest additions to their fleets in the fourth quarter of 1978 were the U.S. (1.8m grt), Liberia (1.4m grt) and Norway (1.1m grt).

• British Shipbuilders' appual returns, published yesterday, show that the state corporation took orders for only 17 merchant ships of 86,600 grt last year.

against completions of 714,000 grt. The orders were valued at getting tougher for shipyards cation, however, there was a £80m, compared with the 1977 for at least another 12 months. much slower rate of depletion order intake of 67 ships totalling

British trade

with Poland

By Christopher Bobinski in Warsaw

rency imports.

reaches record

BRITISH EXPORTS to Poland

reached a record £266m last year at a time when Poland

is severely limiting hard cur-

Figures released by the

British Embassy here show

that UK exports increased by

33 per cent on 1977 while

General Electric, Pratt and Whitney or Rolls-Royce RB-211 power-plants. Hitherto, General Electric CF-6-50 series of engines has been adopted for Japan retains just over 25 per and at 8.3m grt the end-1978 517,000 grt and worth £343m.

Mr. Wiseko Soepono, president of Garuda, said that the money for the deal would come from a Furopean-American banking syndicate, in which French, German and British institutions would be heavily involved.

The Garido deal will bring more work to the UK, for British Aerospace makes the wings for all the Airbuses, both the A-200 and now also the smaller A-310 Last week it was renorted from Amsterdam that further substantial orders for the Airhus are in neontiation, and that hy the end of March, the total of firm orders and ontions for the A-200 would be likely to be over 200.

Low growth in UK invisibles

NET OVERSEAS earnings of major UK service industries should grow by around 5 to A per cent in 1979, according a survey undertaken by th: Committee on Invisible Export

The main reasons for the loinclude a pessimistic view of the real growth in the world economy in 1979 as well as the volume of world trade in services and growing pressure on

margius.

The biggest rise is expected by the civil aviation industry. Earnings from inward tourism are also expected to show a

Holland's deficit doubles

BY CHARLES BATCHELOR IN AMSTERDAM

foreign trade almost doubled in Fl 114.4bn (£28.6bn) last year 1978 following a sharp rise in compared with gas exports. The Dutch trade balance showed a deficit of Fl 6.2bn (£1.5bn) compared with a revised deficit of Fl 3.3bn in 1977, according to provisional figures from the Central Statistics Office.

If unregistered trade with Belgium and Luxembourg is taken into account the overall deficit was even larger, the

were FI 110.5bn, after a down-ward correction of FI 1.5bn to for a change in the method of recording oil imports,
while exports totalled Fl 107.2bn. Imports increased 6 per cent in volume last year while exports rose only 3 per cent. Partly due to the fall in the

Economics Ministry said.

SA reged to use Mozambique line

BY QUENTIN PEEL IN JOHANNESBURG

DR. KOBUS LOUBSER, the general manager of South African Railways, has urged South African exporters to consider using the line through Maputo, describing Mozambique Railways as being the most efficient in Black Africa.

He said exports were currently running at 15,000 tonnes a day through Maputo and the ore terminal of Matola, and could be more than doubled in two years of 35,000 tonnes.

There has been some resistance from South African exporters to using the Mozambique route since independence aggravated by serious delays in

value of the dollar, prices of

both trade flows fell 2 per cent.

handling at Maputo. SAR officials insist, however, that traffic levels have not declined seriously. Current capacity on the route is 20,000 tonnes a day, major export items including chrome and ferro-chrome, steel, citrus products, asbestos and coal.

imports from Loland went up by 19 per cent on the previous and reached £212m in

The British export growth is explained by continuing deliveries of equipment to the Ursus tractor factory and the Wloclawek PVC complex, construction of which is being undertaken by British contrac-

The trade figures show that similar large-scale contracts will have to be won in the future if this rate of exports is to be maintained.

Machinery and equipment exports rose from £81m in 1977 to £101.4m last year, while metalworking and machinery exports grew from £16m in 1977 to £29.6m last

Notaxuntil 1990 then a maximum therestofthis

There has never been a better time to come to Ireland.

The current Irish tax system, with its export sales relief scheme, enables manufacturers to qualify for full exemption from tax on all export sales until 1990.

The Government has now announced a new tax scheme that will come into force on 1 January 1981. This new scheme sets a maximum rate of 10% on corporation tax and will be in force right to the end of this century.

It means that if a company decides to locate in Ireland now, they will be in

the advantageous position of not paying any tax until 1990 on export sales—and then, under the new scheme paying just 10% on all profits until 31 December 2000.

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IDA Ireland also has offices in Dublin, Amsterdam, Paris, Cologne, Stuttgart, Milan, Copenhagen, New York, Chicago, Los Angeles, Houston, Toronto, Sydney and Tokyo.

Amin 'fighting for his life'

dictatorship of Uganda's Presi-dent Idi Amin is in danger of that mediation attempts by the collapse as Tanzanian troops and Ugandan exiles are reported (OAU) are treated with little moving closer to the capital, short of scorn by Tanzania. A Kampala, only 80 miles from the recent editorial in the Governdisputed town of Masaka.

Reports of mutiny in the Ugandan army, incidents of the apparently growing strength of the guerrilla-backed Save Movement (SUM) suggest that President Amin is off the current conflict. fighting for his life.

troops had recaptured the fold up its arms and in the so-southern town of Masaka. The called spirit of African brotherradio report said there had been heavy fighting in and around the

dreds of refugees were camping sion." Many people did not turn up as Amin is in power. Tanzanian for work vesterday and tanks territorial integrity is were parked at several strategic threatened, irrespective of any outside the Post Office.

force was besieging the west forays into Uganda but the bulk Ugandan fown of Mbarara, of the army, they say, remains which it said was in flames. troops loyal to President Amin the fighting. intended to make a stand west of Kampala, where the road passes through swampland. Although the Tanzanians deny

India 'No'

THE INDIAN government has

rejected a British Airways

request for permission for

at supersonic speed across the

Mr. Purushettam Kaushik.

the Tourism and Civil Aviation

Minister, told parliament yes-terday that the rejection was

the result of studies made of

two trial flights by Concorde

during which sonic boom

measurements were made and

reactions of the public

However, Concorde is being

allowed to fly around the peninsula across Indian air

subject to review later.

the same sentence.

Bhutto exasperation

exasperation with the senior

Ali Bhutto, the condemned

Sanjay gets two years

Sanjay Gandhi, son of Mrs.

Minister, was yesterday sen-

flights

from New Delhi.

THE EIGHT YEAR OLD Amin, observers believe it is Tanzania's role. They believe Organisation of African Unity ment-owned Daily News was highly critical of the OAU's failure to condemn Uganda's invasion last November, which led to a two-week occupation of over 700 square miles of northern Tanzania and triggered

"Under the circumstances." However, Radio Uganda it argued, "Tanzania cannot be reported that President Amin's expected to lay down its guns, without taking effective steps to ensure that we shall never again Kampala residents said hun- be the victim of Amin's aggres-

Officials declare that as long aces in the city, including pledges the Ugandan President may give to the OAU. Privately Radio Uganda also said that they acknowledge that Tana second prong of the invading zanian forces are carrying out Exiles said they believed ing Ugandans themselves to do

This version is disputed by diplomats who, while welcoming the prospect of the collapse of of Africa's most brutal

that a substantial part of the 17,000 strong Tanzanian army is some 40 to 50 miles inside Uganda and has played a vital role in the fight for Masaka and Mbarara.

It is responsible for what amounts to an attempt to over-throw the Ugandan Government, mental principle of the OAU they say, with the help of an would matter more if that unknown number of army organisation had shown any mutineers and returning exiles



in Tanzania. Claims of "fierce are regarded as exports crops which account for ed. What is happen some 70 per cent of foreign fighting " exaggerated. What is happening, say diplomats, is that the Ugandan army is retreating in occasional

skirmishes.

Sasol could meet half Pretoria's oil needs

second hand from Kenya and

Dar-es-Salaam, it is not possible to confirm the Tanzanian role.

But if correct, President Julius

Nyerere has committed his army to involvement in the

internal affairs of another state.

albeit in response to provoca-

willingness to deal with the con-flict when it began, or to con-

demn the excesses of the Amin

Meanwhile, the cost of the

war to Tanzania—unofficially put at some \$500.000 a day—weighs heavily on one of Africa's poorest states. Though no details are available, officials say

that projects not already under way have been halted, and

recurrent spending in non-military departments has been

trimmed by as much as 25 per cent, and a freeze placed on Government unemployment.

The heavy demand on foreign

a time when Tanzania is

exchange in the form of fuel,

equipment and weapons comes

facing a balance of payments crisis. Stagnant production of

import bills have already forced

Tanzania into negotiations with

exchange

SOUTH AFRICA's decision to

press ahead with an expansion of its Sasol oil-from-coal production has revived the question of just what contribution the process can make to the country's fuel requirements.

precisely because oil import figures have not been published since 1973, and because the full details of the Sasol process, including the exact quantities of by-products other than fuel, are also secret

Mr. Chris Heunis, Minister of Economic Affairs, claimed last week that the decision to double the capacity of the Sasol-2 plant currently under construction, meant that the combined Sasol output would provide 47 per cent of petrol and diesel requirements if those were kept to present levels. He also claimed that oil imports since 1973 had been kept to an annual average increase of only 0.8

In the face of threats of oil sanctions being invoked by the UN against South Africa either for its defiance of Rhodesian sanctions, or if it refuses to comply with UN plans for Namibla, or for its internal policies, there may be a natural tendency by Government spokesmen to exaggerate the country's selfsufficiency. However, latest information suggests that Mr. Heunis's estimate could be

In the first place, there is a divergence between the esti-mate by the oil industry of last year's oil imports of 320,000 barrels a day, and the estimate by a senior Government official of only 250,000 b/d. If Mr. Heunis is correct in his figure for the rate of increase of overall oil imports. at 0.8 per cent per annum since 1973, then the official figure of 305,000 barrels a day imports for 1973 would have risen to more than 317,000

b/d by last year. The latter figure, however, as well as the industry's 320,000 b/d figure, would include both re-exports (including Rhodesia) and additions to the strategic oil stockpile. Although additional storage facilities are under construc tion in the Cape, existing capacity is full, with the total stockpile estimated at some 18 months' consumption. Thus the figure of 250,000 b/d may be the relevant figure for crude imports devoted exclusively to South Africa's domes-

tic consumption.. Given production by the oil refineries of middle and light distillates at up to 75 per (and thus excluding heavy hunker fuel), 250,000 b/d would produce 187,000 barrels of fuel. If Sasol is to produce 47 per cent of that, it would mean an output of some 8,000 b/d, which on most technical estimates, would seem feasible.

Japan's Mitsui industrial group is pulling out more than two thirds of its Japanese workforce of 3.100 from a project to build a \$3.25bn petrochemical complex at Bandar Shapur, in Iran. Mitsui said this did not mean

that the project had been cancelled, because work was continuing with the 900 workers who were staying. Despite a week-old cease-fire AP reports: Four foreign oilworkers who were arrested by supporters of Ayatollah Khomeini, were released vesterday after being questioned by revolutionary authorities in the western city of Ahwaz. The four men in-cluded two British, one U.S. and one Irish citizen. The four are expected to fly to Tehran

Schlesinger warning of fuel rationing by summer

DR. JAMES SCHLESINGER, the we would have done damage to U.S. Energy Secretary, yester-day warned the nation's governors meeting here that the administration would try to compulsory fuel conservation use its stand-by authority for might be necessary this compulsory conservation measures since petrol rationing

white House was due to unveit tary steps, an increase in the stand-by measures, including a use of alternative fuels such as ban on Sunday petrol sales, a natural gas and tool, and enban on outdoor advertising forcement of the present 35 lighting and a lowering of heat mile an hour speed limit. ing thermostats, which it has Several states, particularly in sent to Congress for approval. the west, have already Elther House of Congress has announced they would like to 60 days in which to yet the raise that limit. President's request for stand-by authority to impose these measures if the fuel shortages warrant them.

U.S. should be careful not to to use oil more sparingly. over-react to the loss of Iranian oil exports. If we over-react these price rises by OPEC memand if Iran were to come back bers would probably drive the on stream earlier than expected, price of petrol up by 10 cents

our economy unnecessarily. He told the governors that

summer, but that petrol rationing did not appear likely at the moment.

He spoke shortly before the White House was due to unveil tary steps, an increase in the

The oil price rises announced uthority to impose these by several producing countries, neasures if the fuel shortages most recently by Venezuela and Arrant them.

But Dr. Schlesinger said the added incentive for the U.S.

a gallon this year, instead of the 7 cents predicted by the administration at the start of

the year. The Iranian Government has said it will resume oil exports next week. but practical problems mean it may take some time for the exports to build up to a substantial level again. Dr. Schlesinger held out the gloomy possibility that the shortages in importing countries could con-tinue indefinitely, if the other OPEC producers which are now making up for part of the Iranian shortfall, decided to cut back by the amount that Iran

At present, the U.S. is running short of about 500,000 barrels a day from Iran or about 2.5 per cent of total U.S. oil consump-tion. But the Energy Secretary said yesterday the shortfall would have to be considerably greater before the administra-tion would contemplate introducing petrol rationing.

International Monetary they are trying to overthrow dictators, express concern about Since coverage of the war is Fund for a \$150m-\$200m credit. **CONFLICT IN INDOCHINA**

to Concorde 'Vietnam withdrawal' from town controlling strategic crossroads

regular flights of the Concorde, THE VIETNAMESE withdrew from the town of Lang Xon yesterday in the face of a Indian peninsula on its Bahrain- Chinese advance. Japanese Lumpur / Singapore Foreign Ministry officials said sector. K. K. Sharma writes in Tokyo.

Diplomats here could not immediately confirm the report but said that earlier reports showed that three Chinese infantry columns were advancing on Lang Xon from the north and west to join a battle which had been building up for days. Japanese observers said that

from the provincial capital temporarily and had taken up positions on surrounding high ground, shelling the Chinese advance with artillery. Lang Xon commands the

space near the Lakshwadeep Islands in the Indian Ocean. strategic crossroads between "Friendship Pass," where the Chinese crossed the border in invasion route running 85 miles analyst here commented. south-west to Hanoi. Indira Gandhi, the former Prime .

tenced to two years' regorous tenced to two years' rigorous imprisonment after being convicted in a case involving place at Lang after the Victconspiracy to steal and destroy Vidya Charan Shukla, who was concentrations, composed mostly if they choose to do nothing military objectives.

Minister of Information and of heavily-armed regional forces, with it," a military analyst here.

Army textbook do Broadcasting at the time, got but including some regiments of said. regulars.

Both have been released on one of the main invasion routes leading from rugged border deterrent to any deep penetra- military units not because they Reuter reports from Tokyo; regions to the strategic heart- tion threatening Hanoi. It is pose any threat to China, but Japan's Mitsui industrial bail and given a month to appeal land of the Red River delta cradling the capital key population centres irrigation matter. lation centres, irrigation system For the second day running and Haiphong deepwater port.

the judges in Pakistan's: The Chinese also threaten Supreme Court yesterday the other critical military corshowed visible signs of ridor—the Red River valley which cuts through the moundefence counsel for Mr. Zulfikar, tains in a straight diagonal south-east from the provincial Fremantle port strike former Prime Minister, Chris capital of Lao Kay, 150 miles Sherwell writes from Rawal to Hanoi. Analysts say that Chinese

continuing his arguments for a down both hanks of the Red review of the court's split judge-ment earlier this month confirm-The Vietnamese appear to be ment earlier this month confirm! The Vietnamese appear to be Perth. ing the death sentence on Mr. avoiding a head-on clash with Elev hutto. the slow-moving Chinese force, berth in the harhour were poverished African nation may
After four full days of hear preferring to harass their forced to anchor outside and disintegrate amid full-scale After four full days of hear preferring to harass their forced to anchor outside and disintegrate amid full-scale ings, it is still not clear when he advance from the high ground eight others about to sail could civil war. AP reports from



"At some point the Viét- to realise that China's pro-

retaliation, however, is con- The Chinese, however, want to sidered here to be an adequate chop up some of Vietnam's elite Lang Xon is at the head of retaliation, however, is conairstrikes inside Vietnam rather mythology of military invinthan open a diversion on the cibility, which the Chinese find intolerable.

The Vietnamese also appear

The counsel was laboriously divisions have been advancing workers decided to continue motioning his arguments for a down both hanks of the Red their strike till next Thursday

namese are going to have to claimed "limited punitive throw up a hard line before the action" is largely bluz. They Chinese approach the river cannot afford to give ground to mass on February 17, and hasin where Hanoi's defence the Chinese advance indenational route 1-A-a traditional parameter begins," a military finitely, but they have not committed their best regular forces Diplomats feel the battles at in strength. So far only a few Analysis here had predicted Lang Yon and Lao Kay are main force regiments have been that the first major engagement critical, but not because the brought forward.

satirical film in which the lead, town with long-range artillery tion that they have the capa-game in which conventional ing character was based on his and anti-tank missiles. Hanoi bility to seize Vietnam's key armies are being thrown against personality. His co-accused, had also been moving up troop terrain when they want, even one another for unconventional Army textbook doctrine says

the point of war is to destroy The possibility of Soviet the enemy or capture terrain.

Editorial comment. Page 22

Chad tension rises

All shipping movements in Despite a week-old cease-fire Fremantle were halted yesters between the rival forces of day as more than 200 maritime president Felix Malloum and Premier Hissen Habre, tension at least, AP-DJ reported from increased sharply in Chad's capital yesterday, with a grow-Eleven foreign ships due to ing danger that the im-

Canadian capital spending expected to rise 8.9%

BY VICTOR MACKIE IN OTTAWA

SPENDING in Non-residential construction is CAPITAL Canada is expected to total estimated at C\$23.11bn, up by C\$54.7bn (£22.6bn) in 1979, up 10.6 per cent, while residential branch said yesterday.

spending may be less than 2 by business is expected to total per cent. The estimate for C334.85bn, an increase of 11.6 capital spending is not adjusted to take inflation into account.

Spending on construction is per cent. Social capital—spending by institutions and Government—is estimated at C\$8.14bn, up by 7 per cent on last year's by 7.9 per cent over last year. figure.

by 8.9 per cent from last year, construction is estimated at the Government's statistics 3 per cent higher at C\$11.72bn. The other component of Mr. Jean Chretien, the capital spending is for buying Finance Minister, has forecast machinery and equipment a 7 to 7.5 per cent increase in which is expected to total consumer prices, indicating that C\$19.88bn, up by 10.8 per cent the real growth in capital on last year. Capital spending spending may be less than 2 by business is expected to total

U.S. investments abroad up by 18% last year

BY DAVID LASCELLES IN NEW YORK

U.S. COMPANIES continued to in the Middle East and Africa. increase their foreign invest-reflecting - U.S. - companies Europe, according to a report board says. published yesterday by the New York Conference Board, the Europe was to expand existing business research organisation. Faithing the development of investments rose from 151 in North Sea oil was an added to the published by the development of investments rose from 151 in North Sea oil was an added to the published by the development of investments rose from 151 in North Sea oil was an added to the published by of 18 per cent. The board says chefuical companies. that in the past two years, 58 per cent of these investments

ment last, year, mainly in distrust of volatile regions, the

1977 to 178 in 1978, an increase attraction for U.S. oil and petro-

The main areas of investment were in Europe, mainly Britain, were chemicals, electrical Ireland and France. About 16 machinery and transport oil exports goes to the U.S. per cent were in Asia (mainly machinery, and two-thirds of the about 12 per cent to Canada. Japan), with smaller propor- investments were made by comcent of each barrel of crude tions in Canada and Latin panies in Fortune magazine's

price rise still awaited

Caracas crude

Sr. Valentin Hergández Acosta. Venezuela's Mines and Energy Minister, made a formal announcement yesterday on the expected 15 per cent price risc for residual or heavy fuel oils. An announcement on crude oil price increases is still awaited. A Caracas newspaper. El Nacional, said yesterday that the Government was considering a \$1.20 a barrel increase in

crude oil prices. An official of Petroleos de Venezuela, the state oil com-pany, said vesterday that the increased fuel oil prices "had nothing to do with OPEC resolutions. It is a normal com-mercial increase, and is still way below spot prices." oil will go up by about \$2 a barrel on March 1.

Fuel oil prices generally vary in winter, and Venezuela last month raised residual prices by \$1 a barrel. This increase, however, did not spark comment in the international press. The present increase was caused by strong demand from the U.S. and by the absence of Iranian oil exports.

Venezuela exports 700,000 barrels a day of heavy fuel oil. However, its stocks of residual oil are now at a low level, and Venezuela will not be able to make large profits with its new prices.

ing to the latest Government figures, is about 2.4m barrels a day, near Venezuela's maximum. About 60 per cent of Venezuela's 10.per.cent to Central and South America, and 7 per cent to

AFL-CIO bid to amend wage plan

BY JOHN WYLES IN NEW YORK.

Continuing to snap at President Carter's anti-inflation policy by seeking substantial amendments who have accepted 7 per cent which are still locked up in the to the Administration's real rises. But anxious to avoid House ways and means commit-

curb prices and incomes. A major step in this direction was taken last week, when the AFI-CIO announced that it and some affiliated unions would be bringing court cases to challenge the legality of the Government's threat to withdraw contracts from companies which pay wage insurance more permitted by the current policy. The inflationary trend the AFL-CIO says that the insist clearly damaging the guidecreased revenue from such a tax could then be used to finance an reports that the Teamsters increases above the 7 per cent in the coverage of the union, whose crucial negotia-

THE American Federation of AFL-CIO officials have scant to \$2.90 an hour, and employees

that corporations should be taxed on any increase in profit the Administration appears to increases above the 7 per cent extension in the coverage of the union, whose crucial negotiaguideline, or raise prices by a programme to include workers tions with the trucking industry
greater margin than the policy on the minimum wage, which resumed yesterday, is pressing
permits.

to the Administration's wage insurance programme.

This is part of a broader the AFL-CIO has now been held but it is not yet used the AFL-CIO has now been held but it is not yet used the strategy aimed at presenting sent proposals to the Congress whether there is sufficient supplementary as the principal advocate and the Treasury which would port in the committee to send the legislation to the floor of the House.

The AFL-CIO is suggesting price index showing a 10.8 per cent annual rate of increase.

Optimism in India over the long-term growth prospects BY DAVID HOUSEGO, ASIA CORRESPONDENT, IN NEW DELH!

MR. CHARAN SINGH, the of gross national product (GNP) happening on any scale. But Janata Party leader recently —and the sizeable increase in unless it does, increased food taken back into the Cabinet as rural incomes this has brought, production will only add to the Finance Minister, presents his 1974-75 cannot simply be put agragarian unrest could spread. first budget today amid pro- down to weather. The amount mising signs that the Indian of new land being brought economy may be moving to under irrigation each year has mising signs that the Indian of new land being brought economic activity is further re-economy may be moving to-wards a higher long-term rate almost tripled since the 1970-75 in imports in 1977-78 over the

Against the post-independence trend of an average annual Five-Year Plan target of a per November 1978 compared with increase in national product of cent agricultural growth rate the same period in 1977. Much 3.5 per cent, the economy has seems within reach. The of the increase has been in grown over the past four years increase in agricultural output edible oils and man-made fibres, at an average of almost 5 per also at last seems to be showing reflecting a growth of consumer

ordinary position that while industrial goods. An 8 per cent ports of fertiliser, iron and almost half its population lives increase in industrial output is steel, non-ferrous metals, and to near subsistence level because anticipated for 1978-79. of insufficient work, during the Outside the cities, the Thus annough the Covern-past three years the foreign increased purchasing power is ment has been slow to utilise exchange reserves have climbed concentrated in the more pros-foreign aid it is using the Concentrated in the more pros-foreign exchange reserves to exchange reserves have climbed to a peak of \$7bn, foud grain stocks are well above normal and Haryana and among the make good domestic shortages requirements and the rate of scher farmers. India has an in a number of areas.

grammes because the Govern conscious. ment has been slow to utilise

The three good harvests since already large food surplus, and period. The Janata Government's

ent. up in increased purchasing demand but there have also India is still in the extra power and hence demand for been significant increases in im-

requirements and the rate of steher farmers. India has an savings has outpaced the rate increasingly self-confident kulak of investment. Western donor nations are poor and landless labourers who dow of now trimming their aid pro- are becoming more politically workers in

inds. that its many small-scale
The main impetus behind the employment generating schemes higher overall growth has come will gradually increase incomes from improved agricultural out among this group. There is tially larger trade deficit put—accounting for 45 per cent little evidence that this is The jolt caused by the s

The current pick-up in

previous year and in another 21 per cent increase from Aprildemand, but there have also some extent, of capital goods.
Thus although the Governforeign exchange reserves to

in a number of areas.

The reserves are still rising remittances from workers in the Middle East and Britain, but at a slower rate The Government is hoping than last year. This is because coupled with the sharp rise in imports, export earnings have flattened out, leaving a substan-

drop in exports has raised the far more pragmatic in encourag-But the first priority is likely to be on meeting the growing domestic demand for engineer-

Another sign of increased economic activity is the growth private sector investment after a long period of virtual stagnation. This is the result of higher levels of capacity utilisation and of an improvement in corporate profits. On private investment, the Finance Ministry points to a substantial increase in loan sanctions and disburyements by the state development banks.

If per cent is foreseen, involving total plan expenditure of crease may be due to the rising \$87bn.

among medium-size companies and by the competitively high rates of return on bank deposits of unit trusts.

Mr. George Fernandes, the country can handle. This year

possibility of reversion to the ing new private sector investaggressive industrial export ments where additional capa-usolstance programme run by city is needed than his hostility the Government until last April. to the large corporations or his desire to encourage the small-scale sector would suggest.

The Government's intention accelerate the pace of growth through higher public sector outlays and greater expenditure in rural areas. The budget for the current

year 1978-79 allowed for a 17 per cent increase in developpared with an annual growth of 8 per cent in 1970-74. For the five years 1978-1983 on average annual increase of ing total plan expenditure of

Much potential new private tions, which allow for only a sector investment, however, is modest use of foreign aid or capital, this is the most India being held back by the Govern-ment's determination to resist can afford as it involves pushing an empirishm of the large up the level of savings as a family corporations, by uncer-proportion of GDP from 19 per tainty over its industrial policy cent to over 23 per cent by the

The jolt caused by the sharp Minister for Industry, has been there appears to have been con-



Mr. Charan Singh—first budget

siderable underspending on irrigation and power because of delays in formulating and implementing projects.

In addition, the present plan little room for cutting expend who likes to spring surprises,

is the first in which, reflecting iture. His main choice will be the current emphasis of dewhether to attempt to cover the centralisation, over half of total anticipated budget deficit out of expenditures will be in the higher taxes or through further hands of State Governments borrowing. They have an uneven record of

4.7 per cent After the performance of the further deficit financing and in last four years, however, planners optimistically believe that the rate may turn out higher.

But in the Government and the rate may turn out higher. the business community there last four years, however, planners optimistically believe that
the rate may turn out higher.
In these circumstances, the
options open to Mr. Charan
Singh are limited. In the past
he has made clear his dislike of
he has made clear his dislike of concentrating resources on heavy industry and his determination to shift the balance in favour of the agricultural sector. There is speculation that he might attempt to tax the industrial and urban areas in favour of the rural; but he will find it hard to stamp his

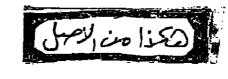
The Reserve Bank has been warning that the cumulative On the basis of a 34 per cent expansion of the money supply annual growth in agricultural over the last three years it over the last three years-it output, the Planning Commission foresees a 6-7 per cent rose 12 per cent between April, average growth in industrial 1978, and January, 1979—is production, giving an overall creating potentially inflationary production, giving an overall pressures. Its influence, therestore, has been strongly against

investment.

to a self of the s

A further point in favour of continuing deficit financing is that the wholesale price index is now hardly above last year's level so that the inflationary risk is minimal.

The current buoyancy on the find it hard to stamp and indelicate views on the diverse stock exchange suggests that the stock ex



by sum

in all with

Financial Times Wednesday February 28 1979



"You can't, you're the boss."

Everybody has bad days. Even bosses.

But when you're the boss of a small business, a bad day can get out of proportion.

In a big company, you'd probably be surrounded by experts in finance, sales, personnel, marketing, production and so on.

People you could talk to, argue with,

try your ideas on, blame, have lunch with, confide in and who would generally make you feel better.

But when you're the boss of a small business, you're on your own.

At ICFC we've learnt quite a lot about the growing pains of small businesses.

We've helped nearly 5,000 of them over the last 34 years.

And we've usually found that some friendly advice and somewhere between £5,000 and £2 million can brighten up the blackest day.

ICFC

The smaller business's biggest source of long-term money.

INDUSTRIAL AND COMMERCIAL FINANCE CORPORATION LIMITED, ABERDEEN 0224 53028. BIRMINGHAM 021-236 9531. BRIGHTON 0273-24391. BRISTOL 0272-292081, CAMBRIDGE 0223 62126, CARDIFF 0222 34021. EDINBURGH 031-226-3885. GLASGOW 041-221 4450 LEEDS 0532 30511, LEICESTER 0533 26854. LIVERPOOL 051-236 2944. LONDON 01-928 7822. MANCHESTER 061-833 9511. NEWCASTLE 0632-815221. NOTTINGHAM 0602 47691. READING 0734 851943. SHEFFIELD 0742 664561. SOUTHAMPTON 0703 32044.

find inventions

in drive to

BY DAVID FISHLOCK, SCIENCE EDITOR



IN BRIEF

Employment protection back with Lloyd's

Employment Protection Insurance Services, a small specialist firm providing employment protection consultancy services, has returned to the Lloyd's market in placing its insurance requirements.

A new insurance scheme has been arranged by the company's brokers. Wigham Poland, using two insurers—one at Lloyd's involving about six syndicates, and the other in the company market with three insurance companies.

EPIS announced last November that it was withdrawing drawing from the Lloyd's market in placing insurance requirements because the under-writing arrangements had been found to be unsatisfactory and would rely on the company market. The syndicate involved at Lloyd's stated that the insurance arrangement had been cancelled because of the serious losses incurred.

Good for you

A further attempt to reassure drinkers of Guinness and other stouts that the new Weights and Measures Bill will not mean the end of the head, or froth. was made by Mr. John Fraser. Prices Minister, yesterday.

Shipowner

Mr. Brian Shaw, 45, chief executive of Furness Withy, has been appointed chairman of the Council of European and Japanese National Shipowners Associations.

The council, which represents 11 countries controlling 55 per cent of the world fleet, seeks to influence U.S. marine policy away from anti-trust postures which have led to a number of clashes in recent years.

Doctor care

Special financial incentives to encourage more family doctors to work in problem areas are recommended by the National Consumer Council in a research paper published by the Royal Commission on the National Health Service.

Home care Recent rapid growth in home

improvement could be jeopardised unless finacial resources are made available to house-holders "on sensible terms." says Mr. George Plucknett, chairman of the National Home Improvement Council, in its annual report.

Job threat

A further attempt is to be made today to finda way to save 500 jobs threatened at Peter Pan Bakeries in Ulster. The Government would like any further cash aid linked to a plan for long-term viability.

Sewn up

Mitsui has bought Japanese manufacturing rights of a machine developed by Courtaulds which makes it easier and cheaper to shape in a labour-intensive in-knitted fashion goods. It re-ducted from 30 to 3 per cent the of this will be significant. duces from 30 to 3 per cent the of this will be significant. unless inflation can be controlled our costs will rise signi-

Electrify Britain should electrify its Mr. Bailey said at the associa-

main railway lines because by tion's annual meeting.
the year 2000 diesel oil power He believed the industry concould be two or three times as costly as electric power. Sir the better end of the hosiery Peter Parker, British Rail chair- markets.

Sky could be limit for Iona's sale price New investment

IONA, THE Scottish island where St. Columba landed when he brought Christianity and the secret of whisky distilling from Ireland in the 6th century, is to be put up

There is likely to be considerable interest in the island, which is the latest of several recently on the market. Last year, neighbouring Staffa sold for about £100,000, twice the original asking

price, although it is much smaller than Iona and has only a fraction of the historical connections.

The island, three miles long by 1½ miles wide, has belonged to the Dukes of Argyll for 300 years. It is being sold by the trustees of the 10th Duke, a reclusive bachelor who died during the war, to help pay an estimated £500,000 in death duties.

The present Duke of

Argyll, the 12th, is the great-nephew of the 10th duke and one of the trustees of his

Smiths Gore, Edinburgh agents, who will be handling the sale, said yesterday that they hoped to have the island on the market hy the end of May. It it too early to say what the asking price would be.

A small part of the Ross of Mull, which was always

administered with Iona by the Argyll estate, is also to be

Community

The sale will not include the site of St. Columba's first church nor the graveyard of the Scottish Kings. Both were given by the eighth Duke to the Church of Scotland, which maintains a religious community on the Island.

Iona attracts thousands of visitors annually so there is

much potential for tourism. but the buyer is unlikely to be able to farm the island him-

Most of the land is let to crofters. who have security of tenure under the Crofting Acts, and it is possible that they might want to form a consortium to buy the island. A similar scheme is being considered by crofters on the island of Barra, setting for

Sir Compton MacKenzie's novel Whisky Galorc. ment of about 16m. A special publicity campaign. backed by a new sales force, will be seeking ideas worth

support. The corporation will emphasise its readiness to provide backing from the laboratory to the marketplace. The recent Cabinet Office

paper by the Advisory Council Applied Research and Development said that the big risks of innovation lay not in the laboratory stage but in the means, mainly at the Upper Docks, fell by 17.6 per cent. development phase and preparation for full-scale producreduced its forecasts of future tion. These phases could trade levels by 20 per cent to 30 absorb between 20 and 100 per cent on the figures thought times the cost of research.

Mr. Stephen Dollond, marketing director of NRDC, announcing the campaign yesterday. said the agency was also willing to make "recirculating loans" to companies which, having successfully launched an inven-tion, found themselves short of the cash to fulfill orders.

Another mechanism proposed by Mr. Dollond was that pre-production orders by placed by NRDC itself, in spite of the fact that its sponsoring ministry, the Department of Industry, underspending on such a

A CAMPAIGN to find inventors scheme. worth backing is being launched consider variations." he said. In the 30 years of its existthe National Research Development Corporation, the ence, the agency has built up Government agency for finan-cing innovation It wants to triple its annual rate of invest-single source of income, more than £50m, is the cephalosporin family of drugs. Cash flow is only now reaching a peak, more than 30 years after the dis-Of eight main sub-divisions

for NRDC's patents, the smallest is production machinery, an area of innovation that the Cabinet Office report empha-sised was being neglected in Britain.

The agency is financing is backing for innovators out of income from patents. Its aim, Mr. Dollond says, is to break even on the operations of licencing inventions at home and abroad — and financing innovation. "Profit-making but not profit-maximising—if it were we would probably turn down two-thirds of the projects we

He said part of the current £250,000 advertising campaign was aimed at dispelling such myths as the agency's unwillingness to finance an invention through to commerical success. Another was that it entered into ventures only with big com-panies. More than half NRDCs projects were in partnership

Civil Service switch opposed by unions

A GOVERNMENT plan to the suggestion as "amazing." recruit experienced indust In a letter of reply, Mr. trialists to top Civil Service Kendall said the unions were posts has met total opposition system of temporary job transfers with industry.

Plans to recruit up to nine industrialists "with extensive and relevant industrial experience" to under secretary posts directly were in a letter to union chiefs from Mr. Noel Moore, Civil Service Department under secretary.

The letter linked the scheme directly to the English Comproposals that there mittee should be more interchange between the Civil Service and industry. However, the Civil Service Department yesterday said unlike the existing transfer scheme, Mr. Moores's proposals involved permanent recruitment into the service. The umons, under pressure,

to principal level and co-operate with the existing transfer scheme. However, Mr. Bill Kendall. secretary general of the Staff Side of the National Whitley Council, speaking for the Civil

Service unions, has described

Chapman and Rowe, Mr. Alan

Harman and Mr. John Michael

Goodsell, have been found

guilty of conspiracy to refraud

clients and given suspended

Chapman and Rowe was "hammered" on the Stock Exchange in 1974 when the

firm was discovered to have a

Subsequently six partners were charged with having

thority as security for bank

Four were acquitted after a

three-month trial early in 1978,

but the jury was unable to reach

a verdict with regard to Mr.

Harman, a former partner, and

Mr. Goodsell, the general man-

ager. A re-trial began early

The court was told that in

1973 Chapman and Rowe had

bank borrowings of £2.3m

high wage settlements and big

increases in world commodity

prices, Mr. Peter Bailey, presi-

dent of the Leicester and District Hosiery Manufacturers'

Association, said in Leicester

tained the skill to hold on to

"However, there is no doubt tories.

deficiency of nearly £2m.

collapsed

prison sentences.

loans for the firm.

this month.

yesterday.

Suspended prison terms

TWO FORMER member of were pledged as securities.

were charged with having demanded by the Stock Expledged clients' shares without change in 1974. The City of

against which parcels of shares £1,000 towards prosecution costs.

INFLATION is accelerating in that certain further parts of our

the hosiery industry because of markets will be lost to us." This

members.

Inflation speeds up in

hosiery industry

for two stockbrokers

stockbrokers

new allow direct recruitment up

"totally and irrevocably opposed from the Civil Service unions to any form of direct recruitand now threatens the whole ment above normal entry levels" and attacked the "cavalier manner" in which the proposal ignored the possibility of internal recruitment.

Mr. Kendall said that experience of direct recruitment at lower levels into the service had failed to attract "people with relevant industrial and commercial experience" because of low pay.

He described the linking of the proposal to existing interchange arrangements as "purely a cosmetic exercise designed to placate the expenditure general sub-committee" and warned that unless the proposal was withdrawn, discussions on the extension of interchange arrangements would be halted.

Such a move would be a severe blow to the Government's plans to promote an exchange of experience between civil servants and industry.
It is thought that the Civil

to the unions' criticisms of the proposals although no official details of that reply have been

falling and with it the value

of the securities. It was alleged that to maintain the value of

their collateral, Mr. Harman and Mr. Goodsell pledged shares

belonging to both personal and

institutional clients to a variety of banks. This had been done

without the clients' authorisa-

during the financial examination

of Chapman and Rowe's affairs

called in and further investiga-

tions were carried out by Detec-

tive Chief Inspector John Todd.

18 months' and Mr. Godsell to

one year's imprisonment, both

terms suspended for two years

because, Mr. Justice Leonard

said, the case had taken so long

and the men had had to undergo

two separate trials. Mr. Good-

sell was also required to pay

would inevitably cost jobs and

cause further casualties among

suffering from an overdose of collectivism and "corporate

effects on the hosiery industry

-" which is essentially entre-

preneurial, consisting as it does

of many hundreds of companies

deserve and could not afford

constant and unjustified criticism unnecessary intervention and additional burdens.

"We cannot afford constant dis-ruption by strikes and stop-

pages which affect supplies to

and deliveries from our fac-

Industry did not need, did not

Britain, said Mr. Bailey, was

with corresponding

Mr. Harman was sentenced to

These practices came to light

Redundancies likely under London docks' plan

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

workers would lose their jobs under the terms of the Port of London Authority's five-year corporate plan, to be discussed for the first time with trade unions today. ,

These redundancies would be in addition to the 1,500 agreed between the authority and unions last year under the terms of a short-term plan. So far, fewer than 500 men have

In presenting a series of possible future financial trends. it shows that on the basis of what the board feels to be realistic trade targets, only the closure of one up-river dock will put the port back into the black. The PLA lost £8m in 1977 and

will shortly report a loss of Royal group of docks was vetoed much beyond that date. by Government.

petition to wind up the com-

visional liquidator, who was

appointed during an ex parte

hearing on December 15, the day

the netition was presented by

The company, which is in the

Ian Watt, appointed by the pro-

be needed to protect the world

from economic and social devas-tation, a senior Shell executive

been a great success and was

already producing the equiva-

said Mr. John Minzinga, chief

that its losses in the joint ven-

ween Shell and Gulf Qil.

said in London yesterday. \$3bn a 3 Technically, the industry had stations.

Mr. Minzinga, a Dutch oil orders. industry executive with a repu-

hands of a special manager, Mr. be unfounded.

the Secretary of State.

leave to appeal.

trading.

yesterday.

BETWEEN 860 and 1.460 dock authority would be £4m a year cargo handled by conventional short of the level of cash flow needed to develop the business. Although the case for a dock

closure is implicitly put in these figures, the discussion document to explain the plan is much more gentle than the first paper published last May when the closure issue was first raised The softer tone reflects both

a desire to offer trade unions The plan, as expected, returns to the theme of dock closures.

In presenting a content of the theme of dock closures. has shown itself unwilling to risk a confrontation over the

Mr. John Presland, managing director of the PLA, said yesterday that he expected consultation on the plan to be complete by the end of May, when it would be up to Government to £17m for 1978, before offsetting make a decision. He hoped the Government grants of £4m. Its uncertainty about the port's proposal last year to close the future would not be prolonged

It is partly this uncertainty Taking the base trade fore- which has led to a continued casts, the plan shows a net deterioration in the port's tradprofit of £3.4m in 1983 with only ing prospects in the past year. one of the two upper docks. In the nine months to Sep-operating compared with a loss tember, London's share of UK of £2.9m if both are retained, general cargo fell by 10 per Even with the closure of a cent compared with a year single dock, the plan says the earlier. Throughput of general needs.

Silver bank loses court action

engrossment and possibly tax on

tage to the company of the limited form of trading en-

Mr. Anthony Lincoln. QC. for the company, had submitted that, as it had had no oppor-

tunity to answer the Secretary

of State's evidence and many of

application for a liquidator was

The arrangements since Mr.

The size of existing contracts

prove a deterrent, he said.

outnumbered."

six years less to complete.

Delay of new orders invitably

based had since been shown

appointment as provisional deposits are subordinated to the liquidator of the London silver claims of all other creditors)

bank Kendal and Dent is to con- and to the continuing liabilities

tinue, pending the hearing of of the company in maintaining

the Department of Trade's its offices and staff, and for

pany, a High Court judge ruled engrossment, the small advan-

Mr. Justice Vinelott discharged form of trading enmissed an application by the visaged does not justify the company to discharge the proorder the company seeks."

Kendal and Dent was given the allegations on which the

visional liquidator, had offered a Watt had been appointed

number of safeguards if it was special manager had worked

allowed to resume limited well and it was admitted there

'Nuclear energy survival'

economics.

The plan has, accordingly,

realistic a year ago. This means a further loss of jobs, which the "base" plan puts at 860 if both upper docks are retained and 1.460 if one is closed. It is estimated that by 1983, the upper docks will be losing £9.6m if no facilities are

The container port of Tilbury, where the PLA would like to concentrate its activities, also made a £2m net loss last year, but is expected to move into a £2m net profit by the end of

the planning period.
Today's discussion warns that if the workforce does not back a plan leading towards financial viability. Government support could be withdrawn.

Government support, announced last August, involves grants of £35m to cover staff severance costs and backing for a £10m loan to cover other

Regulations.

opposing the petition,

on strategy

By Hazel Duffy, Industrial Correspondent

Its report, published today,

discloses that the pneumatic

equipment and compressor

sides of the industry want a fundamental change in the

People did not reach posi-

for the anti-nuclear movement

had emerged because of their

ability to attract public

attention.
"They have never had to

build anything but their own

reputation. None of their state-

ments can ever be put to the

test, while every mistake in

nuclear construction will be

there to haunt the industry, as

long as there are doomsayers in

Consultants see

need of an audience."

tions of eminence in

Division

to increase by 12% resulting in receivership and the possible immediate closure of both upper docks. BY COLLEEN TOOMEY ONDON taxi fares are likely was argued that a 50p a mile

London taxi fares likely

British Airways hopes

to offer more cheap fares

to increase by 12 per cent in the next two months if agreement is reached today between the Home Office and the Licensed Taxi Drivers' Association, which represents London's 17,000 cab drivers. The Home Office's 12 per cent offer was rejected by cabmen

last December after an applica-Receiver's (assuming that £1.5m of its and breaches of the Companies Act. Protection of Depositors Drivers' Association in July for Act and Exchange Control a 29 per cent increase. The Home Office agreed to an The company is strenuously interim rise of 10p on the initial of the Government's stance charge pending further negotia-

in the initial biring charge by 5p to 40p and an improved mileage rate to bring back profits on long journeys.

The LTDA said yesterday that drivers are earning an average THE NATIONAL Economic 24p a mile compared with 32p and cab maintenance. The Development office's fluid power a mile offered by the Home LTDA and the Home Office will equipment sector working party Office. In a LTDA report for begin work on the index later is divided over the Government's the Home Office, however, it this year.

tariff was more realistic. Night and weekend charges of 10 pence are also likely to go up to 20 pence. Many drivers have to work up

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to 65 hours a week to make up osses and some break the law by refusing uneconomic journeys to areas such as Crystal Palace or Denmark Hill, Mr. Harry Feigen, LTDA general secretary said yesterday that the majority of drivers would accept the terms because

over other pay claims. tion. Mr. Feigen said that if an The offer now includes a cut agreement is reached it will be hack-dated to December to pave the way for new terms to be negotiated this Christmas. In the long-term, the cabmen

want a costs-linked index keeping fares in line with fuel

would be no real advantage to group's activities. They have There was also an offer by a the company in discharging the proposed priorities for imple-BY MICHAEL DONNE, AEROSPACE CORRESPONDENT menting the industrial strategy. number of creditors to leave provisional liquidator unless number of creditors to leave provisional injuitator amess. £1.5m deposits in the company other orders were made enabas working capital. ling the company to resume These include policies to make BRITISH AIRWAYS hopes to be all deductions this would still investment in manufacturing inas working capital. ling the But the Judge said: "Having trading. able to offer more cheap not yield an adequate profit. Advanced Purchase Excursion The airline said that assuming dustry more attractive. The petition against Kendal working party has agreed to conregard to the small margin of (Apex) fares on some domestic there were no unforeseen cost its net assets over liabilities and Dent alleges insolvency, sider the proposals in detail.

U.S. utilities were spending security, stimulated by fear of \$11bn a year, and the French the unknown, on which its \$3bn a year, on nuclear power opponents had been trading.

was bound to exercise a stabilis- nuclear industry for qualities ing influence on the industry, which endeared them to the But for the future it could media. But leading spokesmen

air routes, in spite of its plea trunk routes between London,

Glasgow, Edinburgh and elsecent NUCLEAR ENERGY manufac-nuclear capacity than its total caught by surprise by ture was a business no one in his right mind should enter World War Two, he said at a had failed to perceive the yet it was clear that it would conference on world energy strength of deeply-rooted The airline told the Civil Aviation Authority in London yesterday that while it wanted to increase normal fares to strength of deeply-rooted instincts for survival and

improve the profits on domestic routes in 1979-80, it still was prepared to extend Apex cheap fares in off-peak periods. BA said that in 1977-78, it lost £8.3m on domestic routes because of the air traffic con-

trol assistants' dispute and difficulties arising from the dis- ing to those fares varied, in covery of wingcracks in the Tri- general they were designed to In 1978-79, an operating surplus of £4.95m was forecast, but

after all deductions this would yield a net profit of only £44.000 which, on revenue of £135.8m. would be "patently inadequate." pirline would expect a surplus passengers in 1979-80 of £6.7m, but after normal fares.

increases, it would not ask for to raise normal rates on the any further domestic fare increases before April 1 next year. The rise now sought is likely where between 6 and 71 per to be below the increase in the retail price index for the coming

> BA also pointed out that it offers fares below the normal economy level on its domestic services.

In the past year, a variety of low fares had been introduced, each designed to save the passenger a substantial sum while avoiding increases in costs which would render the low fares uneconomic. While the conditions attach-

fill more off-peak seats or those unsold close to time of departure. The airline was seeking per-

mission from the authority to apply this kind of cheap fare would be "patently management.

If its application for fare of its domestic services reviews rises were to be approved, the still had to come from passengers paying higher

Tories expect local poll losses

party will lose control of be- metropolitan elections of 1975 Boundary changes in some areas tween 20 and 30 district councils and the non-metropolitan elec- will make analysis of the results in the forthcoming district tions of 1976. Both were strong council elections. However, years for the Conservatives and even such losses would not in spite of the party's current greatly detract from the party's strength in the opinion polls achievement at local Governthere is likely to be a 2 or 3 per ment level because of its cent swing to Labour at local outstanding successes in the level. past local elections in 1976.

The degree to which the ex- Vulnerable pected loss of 200 or 300 council seats will affect public opinion in the run-up to a General councils are in the Midia Election will probably depend North-west England.

All seats in all but 44 of the in the 44 non-metropolitan and the 36 metropolitan districts. However the Conservatives' success will probably depend primarily on the relative the 36 metropolitan and 180 of London this year.

Most vulnerable Conservative councils are in the Midlands and Torv on the extent to which the Con-statisticians continue to assume servatives can explain the that the national swing to the Conservatives since the last general election will be magni-333 non-Metropolitan districts fied at local level because of the are up for re-election on May 3. usual low turnout and that together with a third of those national rather than local political national rather than local policies, including rate cises, will decide the results.

Conservatives control 17 of

CONSERVATIVE local Covern- strength of the party in May the 333 non-metropolitan dis-ment strategists believe the nationally compared with the tricts in England and Wales. difficult. The possible effect of large

rate increases - expected to

average 18 per cent this year in the districts—remains unknown. They arise in part because of changes in the distribution of government grants to favour urban and metropolitan areas, in part because of government plans to hand back certain powers to the larger districts. The Conservative Party sees the chief prizes as lying mainly in the metropolitan and the larger non-metropolitan areas; but the main contests will occur in places where the party has no overali control. In such areas the performance of Liberals and

Independents will probably be

There are no elections in

£18,000 Galle table lamp is art nouveau highlight

lent of some 6 per cent of the ing influence on the industry. free world's oil consumption. But for the future it could

executive of General Atomic. During the last four years can-the joint nuclear venture be-cellations and deferrals had

tation for trouble-shooting, was favoured prospects for fossil-seconded to the nuclear venture—fuelled—plants—because they by Shell when it recognised were taking between two and

ture were heading for £300m. It was typical of the The U.S. electricity supply technology-dominated outlook

industry already had more of the industry that it had been

an art nouveau sale which totalled £58,160,

Studio pottery was also in

SALEROOM BY ANTONY THORNCROFT

demand. Tempus Antiques paid £1,200 for a St. Ives stoneware "Pilgrim" plate by Bernard Leach and £1,100 for a Martin-ware tobacco jar and cover modelled as a grotesque bird. A Hispano Moresque albarello Also at Christie's, topo- of around 1500 made £8,000. A graphical and decorative prints pair of Dutch Delft parrots of totalled £120,534. There were the mid-18th century was bought two records: the £8,500 paid by for £7,000.

THE REMARKABLE price of Richard Green for a pair of £18,000, plus a 10 per cent still lifes of flowers and fruit buyer's premium, was paid at by J. G. Laminit, after Johann Christie's yesterday for a Galle Daniel Bager, was a record for mould-blown cameo table lamp. a colourred mezzotint; and the It had cost £300 originally in £7.500 from Hazlett Gooden and 1900 and was the highlight in Fox for 30 plates by Samuel an art nouveau sale which Daniell of African scenery and animals was a record for the artist. Coins made £75,475 with best of £4,000 for a Japanese Manen Iban of 1860.

A 30-piece collection Meissen porcelain made £10,500 yesterday in a Sotheby's sale of continental continental pottery and procelain which totalled £180,020. A rare Hafner-ware tankard of the late 16th century but with some restoration, made £9.400 and George Gardner, a Canadian buyer, paid £8,500 for an Urbino "Istoriato" charger.

taxes as main export barrier BRITISH consultants believe

that the biggest constraint on financing the growth of their overseas business is the rate of UK taxation, according to a survey published today.

The British Consultants' Bureau, which conducted the study of consulting engineers. architects and management consultants, reports that half the companies questioned put personal and partnership or company tax as the single most important factor inhibiting growth of their overseas busi-

The study says the consultants believe taxation rates are effectively preventing the accu-mulation of capital for financing their activities.

But overall the reason most frequently cited for the limitation of overseas growth was the strength of competition.

Car link with telephone network gains licence AIRCALL, the largest UK about 4,000 sets in the Post

private radio telephone opera. Office's radio telephone service. tor, has obtained the first Post to be connected to the public network.

Previously only Post Office radio telephones could make direct calls. Private operators could only pass on messages indirectly from their mobile callers.

Aircall bas ordered £1.4m worth of equipment from Communications to modify its 22 control centres in Britain. Aircail will introduce ham, Norwich and London, and accident injuries. expects to cover the country by the end of the year.

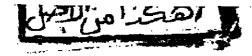
about six commercial car telecustomers' cars compared with injuries.

Other commercial operators Office licence to allow calls may now follow Aircall's lead from commercial car telephones and apply for similar licences. They will not, however, be allowed to connect calls through the public network between two mobile telephones.

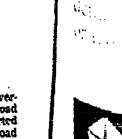
Road accident injuries study

A TEAM from Oxford University and the Transport and Road Research Laboratory has started the service in the next few Research Laboratory has started months in Aberdeen, Notting a three-year study into road

The Oxford group will advise the laboratory on human and Aircall is the largest of mechanical tolerance in road accidents. The teams will also phone services. It has between investigate improved car design 4,000 and 5,000 sets installed in to reduce the severity of



critical.



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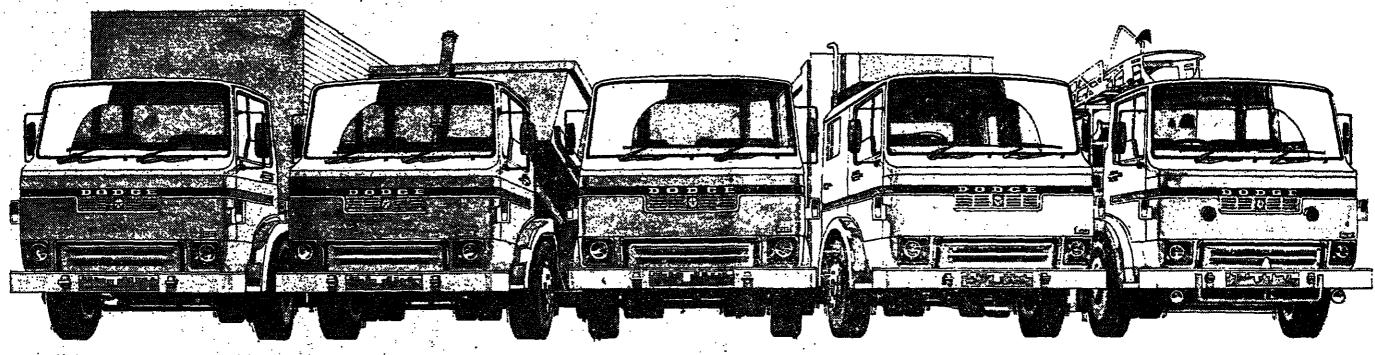
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Financial Times Wednesday February 28 1979

Call up the Dodge Commandos. Anytime. Any place.



Whatever business you're in, whatever service you have to provide, you must have reliable, cost-effective transport.

A Dodge Commando truck will give you precisely that.

It can actually help cut distribution costs and achieve more efficient delivery operations. : How?

We're not going to back that claim with a long, tedious argument that quotes computerised figures with three decimal places, just to identify the odd penny you might save here and there.

Because we're offering you the opportunity to discover for yourself just how good the Commandos are.

An open invitation to all companies that have never bought a Dodge Commando.

You may well be reasonably pleased with the vehicles you're running now. Or perhaps not.



But in any event, shouldn't you at least give yourself the chance to prove once and for all that you're as happy as you think you are?

Call up the Dodge dealer near you. Ask for a Commando demonstrator. For a couple of hours, or a couple of days. A week, even.

And if a week is not enough, say so.

Takethetruck away. Try it out on your toughest route.

We promise there will be no obligations on your behalf. Except to return the truck.



And there will be no hard sell from us. Except that, when asked, we will quote a very competitive price. And we also reserve the right to tempt you further with extra-fast delivery.

But the vehicle's appraisal, we'll leave to you. And to your drivers.

However, just in case you'd like some real evidence that Dodge Commandos can cut your transport costs-before you spend a few pence phoning the Dodge dealer-read on.

National fleet operators are calling up more and more Dodge Commandos. Askthem why...

Ask Carlsberg. "It's reliability and economy that are most important to us. Our vehicles clock up a big mileage and the routes covered combine long, fast runs with constant stopping and starting in delivery areas. In our experience, the Dodge Commando Gló is the best truck for the job."

Ask Debenham's. "Since the introduction of Dodge Commandos, our operating costs have reduced

considerably. Their excellent reliability record is confirmed by the fact that time off road has been reduced beyond all reasonable anticipation."

Ask National Carriers. "We've had experience with all British tractors of around 18 to 20 tonnes GCW. And currently, the Dodge tractors satisfy our needs in terms of specification and reliability better than all the others."

Ask Arrowfast Express, Robirch, Watney Mann, Scot Bowyers, Walls Ice Cream, London Co-op, Weetabix. Ask anyone.

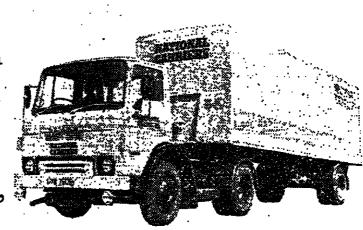
Callupa Dodge Commando. Call one up now.

Dodge Commandos cover the entire weight range from non-HGV 7½ tonnes GVW through to 20 tonnes GCW.

All the rigids offer a wide choice of engines, drivelines, wheelbases and bodies. So you can specify a Commando that delivers the right balance of performance and economy for your operation.

Contact your Dodge dealer. Tell him you want proof that the Dodge Commando is a better truck than the one you're using now.

He's ready and waiting.



DODGE COMMANDO RANGE

G08

4x2rigid,738tonsGVW Choice of two engines, four or five speed gearbox, single or two speed axle, three wheelbases.

4x2rigid, 8.5 tons GVW Choice of three engines, four or five speed gearbox, single or two speed axle, three wheelbases.

G10

4x2 rigid, 97 tons GVW Choice of two engines, four or five speed gearbox, single or two speed axle, four wheelbases.

4x2rigid,11.2tons GVW Choice of four engines, four, five or six speed gearbox, single or two speed axle, five wheelbases.

G12

4x2 rigid, 12.0 tons GVW Choice of four engines, five or six speed gearbox, single or two speed axle, five wheelbases.

G13

4x2 rigid,13.0 tons GVW Choice of four engines, five or six speed gearbox, single or two speed axle, five wheelbases. **G**15

4x2rigid,14.5 tons GVW Choice of four engines, five or six speed gearbox, single or two speed axle, five wheelbases.

G16

4x2rigid, I6.0 tons GVW Choice of four engines, five or six speed gearbox, single or two speed axle, five wheelbases.

G18

4x2 tractor, 18.0 tons GCW Six cylinder in-line turbocharged diesel, five speed gearbox with single or two speed rear axle.

4x2 tractor, 19.68 tons GCW Six cylinder in-line turbocharged diesel, five speed gearbox with single or two speed rear axle.

Your Dodge dealer will advise you on availability of different engine and gearbox combinations for each model.

Demonstrators are on offer subject to availability. Consult your dealer for full details about all conditions relating to the use of Dodge demonstration vehicles.



DODGE COMMANDO



fails

Belfast port £20m scheme to start

BY LYNTON McLAIN

THE PORT of Belfast is to go ahead with a £20m investment programme in the next five

The £13m first phase involves building a roll-on, rolloff berth, a lift-on, lift-off berth, and a deep-water multipurpose berth. The pro-gramme includes installation of two cranes of 15 tonnes capacity at an existing berth.

Consultants have been appointed to carry out design work for the schemes. Both sites will be linked directly with the M1/M2 motorway. Work on the link road has

The initial investment programme was disclosed at the annual meeting of the Belfast Harbour Commissioners yesterday. Nr. W. Barnett. chairman, also announced plans for further investment of £7m over five years. It would involve facilities

for exporters and shipowners, and talks with users are con-The port plans to withdraw

from service several berths which no longer meet the needs of shippers, but they will be phased out only when new facilities are opera-

The Harbour Commissioners reported an operating surplus of a little more than £1m last year, a rise of £63,000 over 1977. The net surplus for 1977. The net surplus for last year was £753,000, compared with £780.000. Total revenue was £4.085m. £1.6m more than the previous year.

Cumbernauld expansion

By Ray Perman, Scottish Correspondent

A £2 PLANT which will employ d00 people is to be built in London banks had complained Cumbernauld new town, near Glasgow, by J.L.G. Industries that the building societies beneut. The complained that the building societies beneut. The complaint is the building societies beneut. operated platforms.

The U.S. owned company has banks.

had a small factory in the town 'Asked whether the societies for 18 months, but is expanding would mind if their tax to meet demand from Europe advantage was made available and the Middle East.

If you smell gas, ring us.

Gas is a very safe fuel-at least as safe as any

other. It has to be, because it is the most popular

source of heat in British homes. In fact, over

14 million homes use gas. But, like any fuel,

gas, please follow these simple safety rules.

Don't smoke or use naked flames.

if a pilot light has gone out.

left unoccupied for several days.

meter if you can. Then ring us.

it must be treated with respect. So, if you smell

· Don't operate electrical switches-on or off.

• Do open doors and windows, to get rid of

• If not, turn off the whole supply at the

in the telephone directory under "Gas," and

we're on call 24 hours a day. Be specially alert

when returning to premises which have been

For further advice on gas safety, pick up a copy of our booklet "Help yourself to

Help yourself to Gas Safety

BRITISH GAS

Your next trip to Denver-the

stay at the Brown Palace.

500 air conditioned rooms

suites and executive rooms

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four famous restaurants

dimate capital of America—will

complete convention accommodations

gas safety" at your local gas showroom.

Check to see if gas has been left on unlit, or

Above all, if you smell gas-at home, at work

or in the street-ring Gas Service. The number is



The Dash 500, latest version of the Lockheed Tri-Star tri-jet, flying over the Sierra Nevada mountains 200 miles north of Los Angeles. British Airways will take delivery in April of the first of its order for six of this long-range version, capable of exceeding 6,000 miles non-stop with a full loa dof 246 passengers. The sixe will bring to 5 the airline's fleet of Tri-Stars of all versions, with another six on option. The Dash 500 will be used to open new long-range routes as well as taking over from VC-10, 707s and earlier model Tri-Stars on such routes as London to Jeddah, Dhahran, Baghdad and Abu Dhabi

Control of building society deposits aired by bankers

BY NICHOLAS COLCHESTER

Bank of England should extend and Gloucester, said that they its monetary controls to include would have no objection and building society deposits is aircd in oral evidence given by the Building Societies are the building Society deposits in the building Society deposits is a supplied to the building Society deposits in the building Society deposits is a supplied to the building Society deposits in the building Society deposits d the Building Societies Associa-tion, and by the Committee of London Clearing Bankers, to the Wilson Committee. The third volume of the committee's monetary controls and their "second stage" evidence is possible extension to building published today.

Lord Armstrong, chairman of Midland Bank, told the com-mittee: "If the Government wishes to control the money supply as they do at present, they may increasingly come to feel that controlling only notes and coin and bank deposits is not actually adequate. That may lead them on to thinking that they should control building society deposits among other

advantages not available to

to competitors. Mr. Ralph Stow.

Mr. Stow also said that his Association had been having talks with the Bank of England and with the Treasury about we hope to find the right answer," he said.
On the central question of the

provision of funds for British industry, the banks told the committee that there was room in their balance sheets for a further expansion of activity in measure-term and long-term facility with the Bank of England to support this develop-ment, they said, though it might provide "quite a useful back-

Mr. Stuart Graham, chief director.

THE QUESTION whether the chairman of the Cheltenham general manager of Midland Bank, talked of a continuing development of the business of the big banks towards the provision of long-term and equity finance, accompanied by a growing role for industrial specialists on bank staffs.

and with the Bank of England specialists on bank statis.

The building societies said their that they would "like to explore the possibile extension to building societies. "If there is a way in which we ought to be slotted in to the total monetary control, are presently not allowed to do.

The building societies said the possibility of lending more societies. "If there is a way in the total monetary control, are presently not allowed to do.

The building societies said the possibility of lending more than the said the s Finance for Industry, the company which controls ICFC.

might be a line in which one could direct money in certain circumstances." They said they would like to take this up with the Registrar, and, through him with the Treasury.

The bankers would not be letting. There was no im-drawn on whether they thought mediate need for a refinance the relationship between the the relationship between the Government and the Bank of England was the right one. They urged that the Bank of England adopted a senior clearing banker as a non-executive

Advice to help small companies expand

FINANCIAL TIMES REPORTER

linked with a Manchester The second company, in allowed unemployment benefit in the countries examined, experimental scheme to help small companies with big growth potential.

Howorth, of Farnworth, Greater growth potential.

Manchester, It specialises in given to strikers' families.

could lead to the establishment hospitals and the pharma-of a wider scheme, the NEB and ceutical industries and has a Collinson Grant Associates have £1m turnover and 82 employees. formed Sapling Enterprise to

Support will be limited to 10 the four-year experiment. The available to each. The first two have been chosen and Mr. Arthur Ward, NEB North-west regional director, said in Manhoped to select eight more. reflecting a range of industry, over the next three to four

months. The NEB intends to defer any rights to profit participation during the experiment, but companies will pay Sapling for services, including assistance in drawing up an annual "action programme" of organisational needs and development plans.
Sapling will also have a limited share in profits during

the four years.

The first two companies selected are Rigby Electronics. a specialised electronics com-pany founded seven years ago by Mr. Brian Rigby, its present managing director, of Swinton, Greater Manchester. It has an annual turnover of £450,000 and employs 40 people in the pro-duction of electro-high vacuum equipment, control equipment,

and infra-red machine guards. Shareholding

The NEB has agreed in principle to invest £150,000. It will take the form of £75,000 redeemable preference shares. account for 99.009 (up 3.4 per including £10.000 in convertible cent on last year's correspondshares, if converted, would give (up 7.5 per cent).

NATIONAL Enterprise the NEB 28.5 per cent of the Board in the North-west has enlarged ordinary share capital. Under the project, which advanced air engineering for

The Board will acquire 21.4 per cent of the enlarged panies on how to achieve rapid ordinary share capital and sub-growth. scribe £80,000 for cumulative redeemable preference shares. companies in the North-west for It will have an option to acquire additional shares from NEB will make at least £50,000 Howorth family to give it a 28.6 per cent stake in the issued ordinary share capital.

Mr. Hugh Howorth, the chairman, said the agreement would rhester yesterday that it was enable the company to exploit new products and strengthen its

Collinson Grant Associates, partner with the NEB in Sapling Enterprise, was founded in 1971 as a firm of management consultants. It employs 15 consultants.

Computing attracts more students

By Michael Dixon,

APPLICATIONS for autumn's university courses have already outstripped those for last year, with computing, attracting over 50 per cent more candidates, according to the Universities Central Council on Admissions.

The final total seems likely to be up from last year's 157,500 to about 167,000-an increase of 6 per cent. Of the 157,670 new applica-tions to February 15, UK men

participating shares. A loan will ing figure), UK women for be made available to support 58,661 (up 11 per cent), and future projects. The preference overseas candidates for 22,064

AA insurance launched

FINANCIAL TIMES REPORTER

has been launched by the Automobile Association. The accident protection

policy, for AA members, costs £15 a year and is underwritten the Guardian Royal Exchange Group. The policy covers people involved in accidents as pedestrians, drivers or as passengers in a car, bus or

limb or permanent disablement cover for families.

A PERSONAL accident insur- and a £20-a-week for up to two ince scheme offering more than years if the policy-holder is £70.000 in the case of accidents prevented from working as a result of the accident.

> Also, hospital fees of up to £30-a-day are paid for up to five years—a possible maximum of £54,000—and £500 is available for a recuperative holiday if the accident victim is in hospital for more than four weeks.

Cover is for 24 hours-a-day anywhere in Britain and up to The policy provides a £15,000 30 days worldwide, any AA lump sum in the event of the member aged between 18 and policy-holder's death. loss of 70 is eligible with additional

Leftist in union appeal taking tough industrial action in advance of Friday's

By Christian Tyler, Labour Editor

THE FORMER Yorkshire executive councillor of the Electrical and Plumbing Trades Union, Mr. Harold Best, yesterday lost his appeal against the conduct of the election in which he was defeated by 435 votes.

The union's executive decided there was no cause to re-run the election, after hearing a report from the Electoral Reform Society which conducted

Mr. Best, a Left-winger, had

protested to the union's Rightwing leadership, chiefly that batches of ballot papers had been sent to members of a large white-collar branch, not at their own addresses, but at their employers'. A union spokesman said

yesterday that all members of that branch entitled to vote had received ballot papers forwarded to their homes by their employers, N. G. Bailey, a large Bradford-based electrical contractor.

This branch of the union's white-collar section, the Elec-trical Engineering Staff Associa-tion, was said at the time of the election last year to have zoout 600 members. But yesterday's report to the executive said only 460 had been entitled to vote, and that that number of papers had been sent out. The spokesman said only a handful of members who had moved house did not receive

Yesterday's decision means that the Right-Wing winner, Mr. William Hayes, who was an associate director of N. G. Bailey at the time of the election, is confirmed in his

British strikers 'no better off' than Europeans

STRIKERS in Britain receive on average no more state benefit than strikers in most other West European countries, according to a survey of benefits in 10

The survey goes some way towards refuting claims that British strikers are more privileged because of the social security tax benefits open to

The survey, in the European Industrial Relations Review, the strikers themselves, That support, the survey says,

is invariably means-tested and takes the form of a loan or benefits in kind, and is usually paid only when union benefits fall short of the strikers' needs. In the UK, benefits are available from specific schemes. The report notes, however

that strike payments by British £6 a week, but most unions can make special hardship pay-

test today at a delegate conunions involved, the Transport and General Workers. Nurses, who are seeking pay increases of between 15 and 25 per cent to compensate for claimed erosion of carnings since 1974, began talks with the

Ambulancemen begin

tough industrial action

arrangements to provide an emergency service after the city's 100 ambulancemen began employers yesterday. Negotia-tions were still in progress last an indefinite strike. Army ambulances again appeared in London when crews at some depots refused to handle calls Unofficial shop stewards have said yesterday that the Governcalled for a national 24-hour ment and trade unions could solve the problems better

total ambulance strike on Fri-day in protest against a pay offer of 9 per cent and a comthan anybody else because we understand each other." He made a vigorous defence of the parability study on which public service workers are now voting. unions against "hysteria in the newspapers and elsewhere." National union officials have condemned the strike call and Mr. David Ennals, Scoial Ser-Mr. Callaghan said great progress had been made by establishing a new agreement between the trade unions and the Government. The country had a good foundation on which to work vices Secretary, yesterday described it as " an act of appalling irresponsibility."

The Confederation of Health Services Employees said yester- to work. day that its members in The Government was determany areas had rejected the mined to face up to problems strike call but Mr. Colin Barnett, and be held to account by the North-West regional organiser of the National Union of Public Employees, predicted that 1,000 Greater Manchester ambulancemen would be among those who did strike.

threatened total strike despite

tain emergency services.

from doctors.

pleas by union leaders to main-

In Newcastle, police and

voluntary services made hurried

Civil service union leaders

The Government was deter-

AMBULANCE CREWS in some The public services pay offer Minister's previously firm afti-parts of Britain yesterday began will face another important tude towards the strike action being taken by the two largest

unions in the service. Mr. Callaghan had con-democd the action as "unnece-sary and unjustified," but in a BBC television interview on Monday seemed to be saftening

his attitude, according to the Union leaders were prepared for further strong criticism, as reasonably firm indication The Prime Minister, speaking at the Government might be at the opening of new General and Municipal Workers Union offices in the West Midlands. The first of a series of meetoffices in the West Midlands. ings this week took place yesterday to find out how far the Civil Service department might

be prepared to move.

The Government has given assurances that it will base a settlement for the 600,000 white. collar civil servants on the findings of an independent comparability study, although the deal will be staged. Union leaders want more detailed assurances on how payments will be staged and on the future of Civil Service comparability.

parability.

The selective strike action by some 1,300 civil servants, par-ticularly in Government computer centres, continued yesteryesterday began to press the Government for firm indications Stock Exchange as union memon pay in the light of an apparent change in the Prime certificates are called out.

Journalists' union expels 96 for defying strike

National Union seven-week strike over pay by committee. provincial journalists which ended last month.

prepared to take a tough line executive with those members who failed to follow its instructions and national strike Newspaper Society companies. An average increase of 14.5 per cent was secured by

Journalists has expelled 96 by the executive's line.

members in the first round of Complaints against a further

disciplinator action after 500 members have still to be disciplinary action after a heard by the union's complaints The 96 journalists in the

South and the West Country The expulsions indicate that received expulsion notices the union's executive is resterday after the union's had recommendations complaints committee on 124 take part in the union's first members. Five were cleared, national strike against and in a further 23 cases member decisions varied from the upholding of complaints to fines

of country are likely to be affected lances who continued to file material in defiance of instructions. All the journalists may appeal under the union's rules.

> One group still to be considered by the committee com-prises the 115 journalists from Birmingham and Coventry who failed in a High Court action to prevent the union from taking disciplinary action against them.

The union had hoped to conclude its disciplinary proceed-ings by its annual delegate meeting in April, but that now seems unlikely. The union's executive is expected to consider red by of hetween £50 and 21141.

The 96 journalists are mainly further reports from the comoffice staff members who refused to plaints committee at its news,
though some are free meeting at the end of March.

Teachers' leader hits at opponents of wage claim

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

publicly opposing a claim for an immediate rise of 36.5 per cent were being "at best naive and infantile and at worst cynical and irresponsible," Mr. Fred Jarvis, general secretary of the National Union of Teachers, said last night.

The NUT has an absolute majority on the teachers' panel unions are far less than those of the Burnham Committee, in Europe. Benefit from the where the pay claim will be largest union, the Transport put to the education authority and General Workers' Union, is employers on March 7.

But smaller unions, particularly the National Association of Head Teachers, have said that

MINOR TEACHERS' unions the demand should be for a phased restoration of the average 36.5 per cent by which teachers say they have fallen behind comparable workers since the Houghton award of Mr. Jarvis said: "Teachers

have nothing to gain, and everything to lose," from minority organisations which engaged in a "public auction as to the length of time over which they would like to see Houghton restored, when there is no indication yet that the management panel will even offer to restore Houghton."

Plessey warns staff over factory future

last night posted a warning letter to all 4,300 employees at its Edge Lane factory, Liverpool, where deadlock has arisen over a three-year plan to make the factory viable with 800 redundancies.

The workers were told bluntly that matters were in their hands and that the company was making progress on the essential points of Post Office pricing and government assistance. But a third vital point, the 800 redundancies, has been rejected by the shop floor at Edge Lane after national talks.

Engineers want industrial reform

BY ALAN PIKE, LABOUR CORRESPONDENT

Government and TUC recalled earlier solemn and binding undertakings given by the trade union movement, but provided no basis for a permanent and stable system of industrial relations. Sir Geoffrey Hawkings, modern approach to trade union president of the Engineering organisation." Employers' Federation, said yes-

He was opening Employment in Engineering, the federation's first national study conference.
"One might conclude that the chaotic termination of pay policy demonstrates the unrealism of designing a policy where the suspension of the laws of the market rests on nothing stronger than the desire to maintain a special relationship with union power," he said.

"The result of such a policy has been to give small groups the power to hold society to ransom and, within unions themselves, for power to slide from the union leadership to the shop steward."

Sir Geoffrey said he believed that society now largely recognised that it must protect itself from "exposure to the recent damaging display of force." Sooner or later a new government must have the courage to build on that recognition to achieve a more stable and balanced industrial relations

Pay policies had made the engineering industry's disputes record an imperfect reflection of its industrial relations, he said. An industry is not to blame if unions choose it as the killingground for a government's pay policy.

Lord Robens of Woldingham, chairman of Vickers, told the conference that the trade union

calves and accept change. "The day of the multi-union is over —it no longer fits into a modern industrial society," he said one another support and refuse "Industrial unionism stands out to find reasons for circumventquite unmistakably as the

Agreements honourably entered into by unions and employers were of little or no value. The days of the trade union leader who could ensure that agreements and procedure were carired out were rapidly coming to an end. Ways must be found of "keeping the customer while we argue about the division of the national cake." Dr. J. S. McFarlane, general manager (personnel) of GKN. said that resolution, "even some

THE CONCORDAT between the movement must kill its fatted degree of obstinacy on the part failure. of management," Managements should agree on simple rules of conduct, to offer ing them.

The new engineering industry procedure agreement, for Those who broke the rules were allowed to profit with the connivance of union official. nivance of union officials and employers alike

turn the blind eye and make the concessions," he said. Fair bargains could be struck only between parties both of whom wished to succeed and

Much of the responsibility, I submit, belongs to the employers, for it is they who

ing unions with leaderships too subject to change to provide firm platform for building a new accord with the employers. If the national pay structure broke down, the employers might wish to return to it only if agreement "took place with one union and covered all workers and if the bargain made would suffer in the event of was legally enforceable."

"It is idle to pretend that

responsible bargaining is pos-

sible between the man who car-

ries the hand grenade of strike

been disarmed by one-sided legislation," he added.

action and the man who has

Mr. Anthony Frodsham, direc-

The Times call to print union

BY OUR LABOUR CORRESPONDENT

THE National Graphical Association was yesterday urged to take part in negotiations on the Times Newspapers dispute by Mr. William Rees-Mogg, editor of The

Mr. Rees-Mogg, speaking at the Engineering Employers' Federation conference, said that the NGA was the "most obdurate" of the unions involved. He bad some sympathy for its historic fears about the possible effect of new technology on its mem-bers' craft but "it is wrong for them to refuse to enter into negotiation."

Publication of the Times Newspapers has now been

months. Apart from staff who bave signed new agreements with the company, the last group of employees who received dismissal notices publication suspended—about 1,300 of them—will be taken off the pay-roll in mid-March.

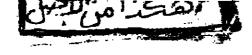
suspended for almost three

The TUC and Government are keeping in close touch with the dispute and a new bid to start negotiations is possible before the final notices expire.

Mr. Rees-Mogg said that Times Newspapers negotia-tions had been in progress for so long that in at least two areas-plans for a commercial computer and an 80-page Sunday Times-"the equipment we originally installed is now obsolete and will go out of the building without ever having been used." Negotiations in these two areas had taken four years and 12 years respectively, so far without any success.

He criticised the "sheer incapacity of most of the trade unions with which we have to deal to carry out coherent negotiations, alone negotiations of some complexity."

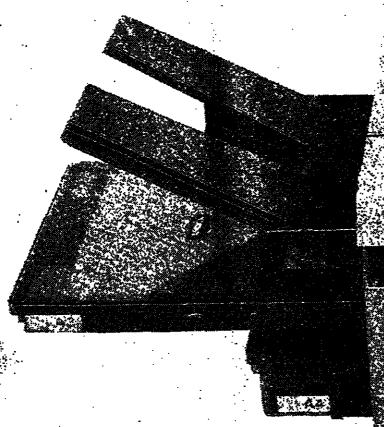
But, said Mr. Rees-Mogg, Times Newspapers was not going to surrender to "incoherent immobility" some of the unions.



On expe

trike

Canon computerise the copier: Whatever next?



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Clitheroe result is not in doubt

CONSERVATIVES COUNT on the Clitheroe by-election tomorrow to confirm the party's daunting lead over Labour in the opinion polls.

A Tory victory in Clitheroe, a rambling constituency on the flanks of the Lancashire Pennines, has never been in doubt. Labour has not won here since The national landslide of 1945. The campaign revolves merely

round the size of the Conservative majority. Labour's prime objective is to restrict it to its 1974 level of 7,000 votes.

That at least would offer Mr. James Callaghan, the Prime Minister, some hope of retaining "Lancashire's critical marginals in an autumn general election. However, after Mrs. Margaret

Thatcher's recent and regal tour of the area as Leader of the Opposition, the Conservatives progress appears unlikely to be checked among the hills. The mist over Pendle may once have concealed magical events witcheraft was disclosed there in the early 1600s — but now it hides no threat to the Tories more serious than complacency

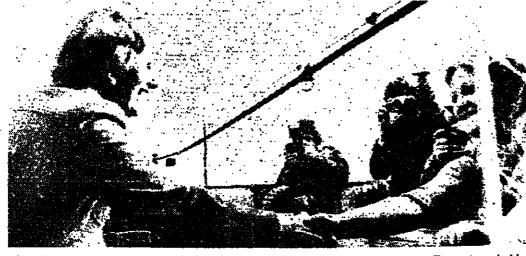
The constituency and its parate collection of individual

communities: farming, in-dustrial and suburban.

Mr. levid Waddington, the Conservative candidate, descends into the industrial from · his assured electoral base in the north with Mr. C. W. Roberts (L) increasing confidence in his ta's votes from Labour and the Liberals.

Briskly, he focuses his campaign on a list of the Labour Government's failures and the above. Liberal sin of supporting such a record for so long in the Commons.

A barrister and significant swing to the Conser-"director of two local textile vatives." mills, he has been active in



Mrs. Thatcher. Opposition Leader, meeting a mill worker in the Lancashire Tory stronghold.

Nelson and Colpe in a 1968 byelection and holding it for six

Supported by more leading Conservatives than have been evident in the concurrent devolution campaign, he is satis-

Candidates
Nr. David Waddington (Conservative). Mr. Lindsay Sutton (Labour).

Mr. Frank Wilson (Liberal). October 1974 result Mr. A. D. Walder (Con.) 19,643 Mr. B. McColgan (Lab.) 12,775

Con. majority fied that the drift of votes his way has been as substantial as

that of the snow on the moors He is relaxed but meticulous: "I have met enough people. heard enough about their feel-He has the advantages of a ings towards the Labour local identity and long political Government, to expect a very

Labour's bid to maintain a politics in North-East Lanca- respectable second place rests shire for 30 years. He con- with Mr. Lindsay Sutton, a tested several nearby seats young and energetic journalist.

contest but he has cultivated and village schools. the constituency assiduously for

Mr. Sutton has a natural feel Conservatives. Support for Mr. for politics, but that owes less Frank Wilson, the Liberal candito his degree in political theory date, appears to be even more than to an instinctive and lively uncertain them. than to an instinctive and lively concern with the people and situations of the area.

Born just over the Pennines in Yorkshire, he defends Labour's record in much the some no-nonsense style as Mr. Callaghan. The Government has pulled the country out of a deep crisis and offers the best chance of achieving industrial peace and reducing unemployment, he declares.

Mr. Sutton's task in holding the Labour vote together may be helped by the area's low unemployment: 2 per cent. The constituency has also escaped the harsher effects of the public-service strikes that affected the larger towns and cities.

He has sought to ease any disillusion with the Government by emphasising the protection that it has afforded to jobs in local textile and other industries; by promoting efforts never crossed their minds.

before winning neighbouring It is his first parliamentary to maintain rural bus services

The 8,000 or so Liberal voters three years. Membership of the of 1974 are likely to be less Labour Party has trebled in the susceptible to that appeal than to sustained pressures from the uncertain than Labour's.

The bearded and voluble Mr. Wilson cuts a rather lonely figure as he echoes Mr. David Steel's call for co-operation in of national programme

recovery.
Mr. Wilson, a metallurgist turned technical representative. finds sadly that the roters have annual cost of doing that and little trust or confidence left in running the assembly would be politicians.

"We must bring together people of all parties and none." he declares. But Liberal MP Mr. Cyril Smith found the pro-Mr. Healey described the initial capital costs as very cess depressingly slow in the on accommodation. The run-bleak and deserted streets of ning costs were again a "tiny Great Harwood and Padiham sum" compared with the cost this week.

"Are you voting for us this in Wales. time?" he inquired grasping The add each fleeting passer-by. "I'll have to think about it." each responded with an air that suggested that such a notion had

Opinion poll again shows big Welsh 'no' vote

THE PROSPECT of a crushing defeat for the Government's Welsh devolution proposais was again indicated in a BBC Wales opinion poll, published last night.

The poll indicated that only 22 per cent will be soting Yes for a Welsh assembly in tomorrow's devolution refereu-

Some 65 per cent said that they would vote against, and

£13m to run

Cardiff ·

assembly

A WELSH assembly is likely to

cost the UK taxpayer £5.9m in

initial cosis and £13.7m a year to run, Mr. Denis Healey, Chan-

yesterday in a Treasury state-

The proposed Welsh asemoly

The Chancellor said that the

assembly would have to recruit

and provide accommodation for

about 1.500 additional staff. The

small compared with recent

expenditure by local authorities

of local authority administration

The additional costs represent

less than a halfpenny a week for

every person in the UK. That

might be reduced if the cost of

local government in Wales falls

about £13.7m.

after devolution.

would ocupy the former Coal

By Paul Taylor

only 12.8 per cent said that they had not made up their minds. results correspond

with those of a broadly Western Mail-Harlech Television poli before the weekend. They represent a sharp detectoration in Welsh suppert for the Government's devolution proposals, compared with the position three

llowever, the latest poll again suggested that the turnout would be 77 per cent of the electorate, which both sides in the campaign consider

highly unlikely. A turnout of between 50 and 60 per cent is expected.

The breakdown of the new nell indicates that in none of the eight Weish counties

will there be a majority for

The Yes vote in the Welshspeaking heartland of Gwanedd is put only marginally higher than that of Gwent, formally MonmouthONURT

Lon

The poll was conducted nearly a week ago, but, clearly, little prospect exists that the Yes campaign might make up such a wide gap in the

CBI launches final devolution attack

an assembly.

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

before polling takes place to- that \$4 per cent of them opposed cellor of the Excheouer, said the Confederation of British Industry in Scotland accused the Government yesterday of spending money needlessly on a political concept

Exchange building in Cardiff. when urgent attention should Converting and equipping it would cost about £2.5m. be paid to creating more jobs. Mr. Alan Devereux, chairman Other "once-and-for-all costs" of the Scottish CBI, said in would include £1m for equip-Glasgow that if the Government ping the office accommodation had allocated the money towards and £i.4m for moving staff to iob creation that it was putting

> create 20,000 jobs in Scotland importance than another layer of bureaucracy.

into an assembly, it could

Uncertainties

The Scottish CBI is particularly concerned that if Wales rejects devolution and Scotland accepts it, new industrial invest-ment will gravitate towards commented that the absence Wales, Mr. Devereux said that his members saw that as a real

facing commerce and industry, layer of government. herdening in their opposition to No, he said, they would have devolution.

IN A final attack on devolution members in Scotland had shown available in the future the Government's proposals and

only 10 per cent supported them. A last-minute letter is being sent to all members in the country telling them abstention is not sufficient. If they want to make their voice heard, they must vote No.

Devolution was at best an irrelevancy; at worst an extremely dangerous concept. On the other side of the fence, Mr. David Steel, the Liberal Party leader, said in

Peebles last night that it would be a tragedy if a last-minute failure of nerve caused the promise of an elected Scottish assembly to disappear after 10 years of debate.

In an attempt to play down the fears of those who believe that devolution is only a step of devolution was more likely to stimulate separation. He denied that an assembly would Because of the uncertainties lead inevitably to an extra

the Scottish people vote The latest sounding of CBI better scheme being made

Meanwhile Mr. Douglas Harrison, assistant secretary of the Scottish TCC, launched a vitriolic attack on the BBC for . daring to record a programme

on devolution in Oxford.

"The Governors of the BEC." he thundered, "are providing evidence that the principles of devolution are right."

He based that reasoning on the fact that viewers in Scotland were being offered the spectacle of "the self-opinionated offspring of the upper classes trying to influence the outcome of

the referendum." Insuits

He said: "The gowned gooms decided overwhelmingly that we should not be allowed devolution. As Oxford students are predominantly the sons and daughters of the British ruling class, no other outcome could be expected.

"It the ultimate in insults to the Scottish people that the election should be subjected to the opinions of these people."

If nothing este, Mr. Harrison provided a little light relief at the end of an otherwise unpolemical campaign.

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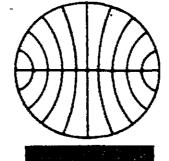












Scots supporters suffer nerves BY RICHARD EVANS, LOBBY EDITOR

REACTIONS WERE distinctly nervous among the Scottish devolution supporters yesterday to the latest opinion polls. showing a hardening of the No that can be achieved. vote and the prospect that the required 40 per cent vote would scale might give Ministers the not be reached in tomorrow's opportunity of bergaining with referendum on the Government's proposals for devolving

If the polls prove right and Finance Bill. there is a narrow Yes majority. it will not just be Scotland's constitutional future that will be at stake. That of Mr. Calla-ghan and his minority administration will also hang in the

project to neutralise rising Scottish nationalism and protect Labour's base north of the border might prove a last-ditch attempt by the Prime Minister to retain power for a few more months to improve Labour's chances in an autumn election. Given a Yes majority, the Government will probably be able to hold the line against any Conservative censure motion next month. Scottish National Party (SNP) strategists maintain that they will give the Government every opportunity to set up the Edinburgh assembly. They allow five or six

joining the Tories in the Commons division lobbles so long as there is a prospect that Significantly, such a time

the SNP on setting up an Edinburgh assembly and on the Budget and the subsequent Until a few weeks ago it was widely expected that the Yes

seem to have caused damage. first is that official activists who oppose devolution.
They regard the SNP as their

the nationalists' hands. the nationalists' nands.

Second, it was thought last autumn that the authority of the Prime Minister, heading the Yes campaign, would give it formidable impetus. However, the battering Mr. Callaghan has received from the winter round. gence have meant that the cam- so far.

They have no intention of paign spearheaded by Labour 1 has been a mixed blessing. Finally, devolution supporters

admit that they have had greater difficulty than they expected in convincing a sceptical public of the agrantages of an assembly. They con-trasts with the approprie of devolution, what they dered territying projections of the bureaucracy. Although some Labour MPs

campaign would win by a hand-remain convinced that the 40 some margin even if the 40 per per cent vote will be reached. remain convinced that the 40 cent hurdle was not sur-mounted. But three factors ment came from an SNP leader who wondered whether the Scots were a naturally conser Labour Party support has had valive race who were attracted only a marginal effect on the considerable numbers of Labour but got cold feet when it came but got cold feet when it came to the critical choice.

Devolution supporters believe natural political enemy and fear that their best hope of wining that devolution is playing into convincingly is to hammer home convincingly is to hammer home the message that failure tomor-row will not only mean the end

received from the winter round of industrial strife and the conservatives electoral resurtive days than they have been

Indifference is only skin-deep

BY ANTHONY MORETON

EDINBURGH AND Cardiff have two things in common this week: they are the putative homes of the assemblies for Scotland and Wales and each is displaying monumental indifference to tomorrow's referendum. Beneath the surface, though, there has been activity. Most has centred on the professionals, of course, and this week the politicians from Westminster have descended on both

countries en masse.
It is not the professionals who are going to determine the outcome: the number of people turning out will be crucial, especially as the proponents of devolution have to overcome the '0 per cent hurdle inserted at the insistence of Labour backbenchers at Westminster,

But all the evidence is that the issues have got through to the electorate and turnout will be high.

Turnout

Recent Weish polis suggest that 77 per cent of the electorate would vote, which would be better than at the last General Election in 1974. The indications are that the poll will be high in Scotland, too.

It is a widely held view in England that devolution is not

really wanted. If that proves so (and it would appear the likely outcome in Wales), at least there has been a greater feeling of involvement in the issues than

was the case about entry to

Yet the campaigns in both countries have been fought on a shoestring. Compared with the vast amounts spent on general elections and that made available for the EEC referen-dum, this has been the poor





Political friends have found themselves on different sides and having to make new, if temporary, alliances.

In Wales the six dissident Labour MPs have been campaigning vigorously for a No vote beside an almost united Conservative Party. Labour Ministers have been found on the same platform as Plaid Cymru members and Liberals.

In Scotland, the Labour opposition has been more limited numerically but the campaign has been enlivened by a nublic debate between Mr. a public debate between Mr. Tam Dalyell, Labour MP for

opponent of devolution, and Mr. Jim Sillars, Scottish Labour Party MP for South Ayrshire and an equally strong advocate of the principle. Another common feature has been the way in which the north of both countries has been wary

It has also been a time when unlikely liaisons have been formed. It may be going too far to say that Labour has jumped into bed with the Tories and the nationalists, but at least some of them have been seen under the same roof.

Bouth.

Elections

Next week it will be back to normal. The usual battle lines will be drawn and the activists will be back preparing for council elections, the EEC election and eventually the general election.

This is the year of elections. Mr. Anthony Wedgwood Benn said in Wales this week that the devolution campaign has been an exercise in participative democracy.

423

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Most people prohably do not see it quite that way, but deep down, that is what it comes to. The people of Scotland and Wales have been asked whether West Lothian and an implacable they want a particular form of government. Having been asked that sort of question it is just possible that they, and others might get a taste for it, which cannot be bad for democracy.

heat exchange, fluid power, ceneral engineering. zip fasteners, refined and

wrought metals.

• HAND TOOLS

parcels easily

TECHNICAL PAGE sceretary.

Kathy, constantly complains

about the time and trouble taken

to open the more elaborate par-

cels and cartons delivered daily

to our office. Her problem was solved yesterday with the intro-duction of a three-in-one tool

from Lawtons of Liverpool, 60 Vouxholl Road, Liverpool L69 3AU (051-227 1212).

Stubborn staples are removed, tough bands spinped across and

thick cardboard ripped apart

with a bandy device which cuts.

slits and extracts and, the maker

ossures os, will also assist in the speedier offloading of palle-

called

Opener and is made from touch

moulded player and steel. It

is available with an individual company's name and/or logo

shrinkwrap or stretched

IM! Limited.

Opens

England

• HORTICULTURE

Longer life plastic greenhouse

BECAUSE IT uses extra ultra violet stabilisers, and is more able to withstand fierce sunlight, a material called Polyvene is used for a commercial green-house which promises to last twice as long as a traditional polythene greenhouse, claims Polybuild. New Alresford, Hampshire.

based on Continental Continental system, were developed by the company for the exacting elimatic conditions of the Middle East. Model now introduced to UK is called the JVT (Jordan Valley Tunnel) and is said to be the first UK polythene building to provide suitable growing environment for traditional glass house crops. such as tomatoes, cucumbers and peppers. Because of its width, it should allow excellent saturation planting of lettuce

The greenhouse consists of a galvanised steel frame (sufficient to withstand gale force winds, says the company), to which polythene is fixed in a series of 4.6 metre or 9.2 metre overlapping strips. These can be removed or parted in the summer to give controlled degrees of vertilation, either at the base, the sides, or the roof.

Clearspan structure is 9 metres wide and available in any length in multiples of two and built diesel engine as the metres. Built in three sections. the steel frame arch has been to allow maximum working headroom along the

int, Garage Equipment

and Ventilatin

and Mate

rials Heating

ADDRESS:

affer nerre

Also wider than any other types, says the maker, the tunnel design additionally affords a greater growing area which results in better ventila-tion characteristics and, in the case of heated units, in reduced heat loss.

Steel iframed doors are included in the specification, and the greenhouse is suitable for the installation of trickle and overhead irrigation lines. fans for ventilation, direct and indirect fired heaters, and ridge

Usual polythene greenhouse of this type would last about two years, but the JVT is promised a life of at least four years. Drawback of poor ventilation in traditional polythene tunnels has now been eliminated in this new design, claims the company. Overali cost of a 30 metres

long JVT greenhouse is around Company says it is seeking distributors in all overseas territories to market this product.

Grapes are cropped by diesels BASED ON a British designed

power unit, machines built en-tirely in Australia are harvesting grapes, informs Perkins Engines Group, Eastfield, Peterborough PE1 5NA (0733-67474). There's a good deal in

clearing it of any leaves or debris, then lifting it over the next row of vines where it is deposited into a bulk carrier.
Three harvesters make up the

range: Vectur, with four-wheel hydrostatic drive, self-levelling capability on slopes and bucket conveyors to cut fruit and juice loss: Vectur Domestic - same four-wheel drive and self-levelling system, but using a locally developed elevator system; and the Domestic (the biggest seller in the range) which uses the within the scope of a single local elevator system and has a unit. two-wheel drive.

PACKAGING Better carriage

MORE CARTON sizes are now needed following the introduction of the EEC's egg grading sizes, with the result that some 9.000 cases have to be produced weekly by Eastwood Egg Packers at its Cwmfrwdd, Car marthen, South Wales station. A quicker and more efficient system for sealing the cartons became necessary, and the company switched from stapling methods (which tended to distort cases with the result that egg breakages occurred) to a Scotch TR carlor taping machine system from 3M, PO Box 1, Bracknell, Berks. (0344 58247).

Taping has not only improved the appearance of the carions also gives more rigidity. Use of the system now means that 600 randers size cartons an hour are sealed by the machine which runs for 13 hours per day continuously with a single tane roll change where, previously, the stapling magazine had to be changed every two hours.

• HYGIENE Kills the bacteria

A NEW version of its Calmic automatic 24 hour-a-day wash room sanitising unit is being marketed by Wellcome Hygiene

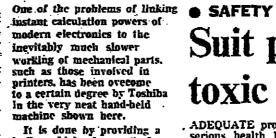
The company says the unit now has a reformulated deter-gent/bacteriostat concentrate, on which have shown i to be highly effective in combat-ing deposit-forming bacteria. unit has a three-fold action which operates at each flush of the cistern. In addition to releasing a bacteriostat into the flush water, a detergent is also introduced and finally, a perfume is discharged into the

immediate atmosphere. After extensive laboratory testing the new bacteriostat, detergent paste used in the unit has been proved to be far more powerful than its predecessors and at the same time to have a greater life expectancy, says Wellcome, which has its head-quarters at Crewe Hall, Crewe, Cheshire CW1.1UE.

• PROCESSES Removes oil

trom swarf
OIL EXTRACTORS which it is claimed will remove, by centrifugal action, 99 per cent of the oil content in swarf in less than two minutes are being produced by Bennett Guest, 6, Vigo Street, London, W1 (01-439

The extractors, which have been designed with pan dia meters of 30 inches or less, offer rapid acceleration and running speeds of 800 rpm or more. They are capable of dealing with up in three tons of high density metal chips per hour.



It is done by providing a buffer which gives a "safety margin" of eight key inputs and a single line of print. Thus, operation becomes much smoother when key stroking outruns the capabilities of the print

It is a ten-digit machine with a Digitron tube display for high visibility. Four-key independent memory is provided and two-level comnutation covers successive addition and subtraction memory operations. Special function keys include sub-total, total per cent/ add-on/ discount, clear, clear entry, and non-calculation entries.

Coded BC-1014PV, the machine operates on long life rechargeable nickel cadium batteries or directly from the mains. The company gives the suggested retail price as £95, plus VAT, which includes the batteries and the charger a low price to pay for a machine which has all the abilities of the desk-top maits being offered as replacements for the old mechanical machines, plus portability.

More from International Office Products, International House, Windmill Road, Sunburyon-Thames. 093 27 85666.

Lift for light loads

SMALL COMPONENTS and assemblies can be distributed vertically throughout a manu-facturing complex by means of DD Lamson's latest handling system, the DL 10 lift.
Serving up to ten floors, the

lift is powered by an 0.45 hp motor situated at the bottom of the shaft which simplifies inspection and maintenance and allows the top station to be installed under a desk, counter top, or production bench. On each floor, buttons light up to indicate "Lift Present" or "Lift Occupied."

The lift has over-travel limit switches, electrical contact and automatic mechanical door looks and a motor overload protection switch. It has a maximum load of 12 kg and the case dimensions are 240 x 300 x 500 mm.

Suit protects from toxic atmosphere

other toxic particles, states
Siebe Gorman and Company.
Avondale Way, Cwmbran,
Gwent, Wales NP4 1YR (053-33
61211), can be provided by its
lightweight, one-piece suit
weight unit, which clip incorporating an all-round-vision hood, called the Full Suit

Powermask respirator. High-efficiency filter draws air into the suit by means of a small electrically driven centrifugal blower at minimum rate of 120 litres per minute, thus maintaining a small positive pressure within the suit.

Wearer can breathe normally. says the company, and is free from the fatigue usually asso-

ADEQUATE protection against clated with breathing apparatus, serious health hazards arising while the positive pressure prefrom environments containing vents ingress of contaminated dangerous air if, for example, the airtight diseases, radio active dust or fit at the elasticated wrist or

Electric blower and interchangeable filter are mounted on a nylon coated plenum cham ber to form a compact, lightweight unit, which clips on a quick-release waist strap so that it is carried at the wearer's rear left hip. Clean our is directed into the suit's hood by a 25 mm diameter convoluted

Apart from protection against communicable diseases, says the maker, the equipment could also be used in the military field to provide isolation against radio-active fall-out from

Beating a problem fire

Sterilisers made safer

IN UNUSUAL combination of had been burning for two days 620,000 cubic feet of nitrogen cas and 114 gallons of foam compound, belped BOC engineers to save equipment and raw material worth more than £3m from total destruction.

A hopper containing 600 tons of chocolate crumb had caught fire at the Cadbury Schweppes. Leominster. Herefordshire, factory and three other hoppers also containing chocolate crumb were in danger.

Within a day, engineers from BOC's mobile Inerting Services. hased at Aston, West Midlands. had extinguished the fire and saved the chocolate stored in the neighbouring hoppers. The fire

porate integral thermal locks

opening at temperatures above 80 degrees C in compliance

with proposed safety legislation.

are to be launched on the mar-

ket by Cabburn Sterilizers of 9

Towerfield Road, Shoeburyness,

Available with round, square

or rectangular chambers, with

either front or too loading or

double ended formats, they are

designed for sterilisation apply-

Essex (03708 6266).

prevent accidental door-

before BOC was called in. Five fire appliances and 25 men had been spraying the hopper with water for 48 hours to prevent the fire spreading and it was accepted that the protect had been destroyed.

By pumping a mixture of nitrogen/foam compound into the hopper ullage space above the product, and nitrogen from the bottom of the hopper through the product, the fire was effectively starved of oxygen. By continuing this technique, the temperature of the fire dropped rapidly and in

BOC on 01-560 5166.

maceutical industries.

safety "blow-off" valve.

They are made from stainless

steel and have temperature

and pressure indicators, audible

alarm, automatic timer switch

with manual over-ride and a

By agreement between the

Financial Times and the BPC.

information from The Technical

Page is available for use by the Corporation's External Services

 MACHINE TOOLS **Polishes off** the work

wren loads.

Tuol is

printed on the side.

ARRASIVE BELT grinding machines made in the U.S. by Abrasive Engineering and Manufacturing of Minueapolis are to be marketed in the UK by P and S Shot Blast and Finishin? AUTOCLAVES, which incor- cesing agricultural and phar-Equipment, Coronation Road, Park Royal, London NW10 7PT

> The machines are designed for the grinding, deburring and polishing of all types of metal commonent. Belt widths ranging from 8 to 60 inches are avail-

Some machines have two or three heads which can carry out the functions of deburring and grieding of one or two sides. plus the polishing of the upper surface at one pass through the

tanker will undertake any waste disposal task, from petrochemidisposal task, from petrochemical tank cleaning to land disposal of sewage sludge through pipelines, asserts Whale Tankers, Ravenshaw Lane, Solihuil, West Midlands B91 2SU (021-704 3191).

Specially designed to work at the highest possible efficiency for continuous periods, says the company, one of the most unusual features of the first 9.000 litre tanker is the provision of twin exhauster-compressors, although the total swept volume required is well

It has been found that smaller exhausters work at a lower temperature than bigger models when operating for extended periods, and also maintain high efficiency for longer than big exhausters. This is due to the high external surface to total volume ratio of the smaller

In addition to the vacuum system, the tanker has a screw-type positive displacement type pump for discharging loads to land, either direct or through pipelines. and for effluents into storage tanks or





DON'T LET THE NEW N.I. CONTRIBUTIONS CATCH YOU UNAWARES.

National Insurance contribution rates and limits change from April 6, 1979. The main changes are summarised here but leaflet NI 208/April 79. from Post Offices and Social Security offices, gives full details.

Class 1 Contributions for Employers and Employees.

The lower earnings limit below which no Class 1 contributions are payable, by employer or employee, is being raised to £19.50 a week.

The upper earnings limit up to which Class 1 contributions are payable will be raised to £135 a week.

The percentage rates of contribution for employers and employees will remain unchanged.

New contribution tables are being issued direct to employers. But if copies are not received by March 21 apply as follows:

*Not contracted out tables (CF391) - local DHSS office.

* Contracted-out tables (CF392) - Contractedout Employments Group, DHSS, Newcastle upon Tyne, NE98 1YX.

* N.I. Surcharge-exempt tables (CF398) - Collector of Taxes to whom end-of-year tax returns are made.

Existing tables will be invalid after April 5 and should not be used for payments of earnings after that date.

Contributions for the Self-Employed.

Class 2 (flat-rate) contributions for men under 65 and women under 60 will be £210 a week.

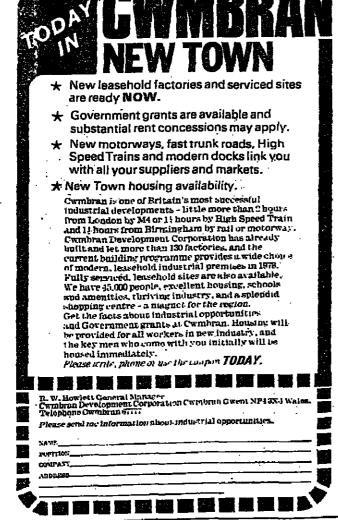
If you expect to earn less than £1050 from self-employment in the 1979/80 tax year, you can apply for exception from liability to pay Class 2 contributions.

Class 4 contributions will continue to be at the rate of 5%. However, the lower and upper limits of profits or gains on which contributions are payable will be raised to £2,250 and £7,000 respectively.

Voluntary Contributions.

Class 3 (flat-rate) contributions will be \$2.00 a week.

Issued by the Department of Health and Social Security



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Looking for alternatives to family fortunes

fortunes in the grand manner is no longer a viable proposition, according to Raymond Armstrong. The problem lies in the area of costs, for "grand manner" means not only investing the family cash to provide both security and a good return, but also organising a wide ranging butlering service, arranging anything from long sea cruises to more mundane items like

Armstrong bases his view on long experience at Starwood Corporation, where he has been president for the past ten years. starwood was formed in the late 1920s to manage the fortunes of the Rosenwald family—the late Julius Rosenwald was a leading figure in the establishment of Sears. Roebuck, the large U.S. retailing group.

There appears to be no lack demand for the butlering side of the service-many of the more nouveaux riches are only too eager to sample it-but the organisation it requires and the rapidly rising costs involved make it less and less attractive to Starwood itself.

So Starwood has been moving into new areas recently, a trend which is gathering momentum as Armstrong seeks to establish links in Europe. It is not families he is now after, but institutions, such as pension funds, or individuals prepared which is backed by Equitable plus capital appreciation) will to put up funds for specific Life and other U.S. companies, be higher than the yield on alternative investments, as he describes them. describes them Alternative investments are those made outside the stock market as a means of spreading risk.

BUSINESS PROBLEM

ours chose to leave and set up

as a sub-contractor, and since

then we have virtually used his

services full-time. In April 1977

we received our 715 certificate.

but because of tax arrears, he

could not get one. In October 1977 we realised that he was

never likely to get approval and

after other disagreements, we

ceased to use his services.

Between April and October we

withheld one third of his salary,

about £700. We did this to cover

debts of about £700 due to loans

made to him to pay off his tax

arrears, previous to April 1977.

We have now been contacted by

his accountant for a F.C. 60 for

about £700 for the period April-

Plumber's

tax arrears



Armstrong feels that there is a new emphasis in the investment world on avoiding risk. At the same time, the amounts of in stock markets, which policy money which require investing he claims has enabled the comare mushrooming, particularly pany to outperform many others in the pension funds.

ings that Armstrong envisages pension funds and foundation would have Starwood providing funds, which pay no capital experience at the U.S. end, with partners providing input in the UK and on the Continent.

Starwood already has a number of partnership ventures with American concerns under its belf. Five years ago it set Armstrong, is to go into the up and took on the management stock market when it is thought up and took on the management of a company called Geneve; (Johnson and Johnson, child appear to be more attractive. care products) and the Khiekhaffers (timber companies).

evasion by them. We are

Some years ago a plumber of regardless of our success in between (a) the time when the

employment, is there any

make against the total sum.?

You should explain the facts to

If we agree to supply an company's accountants direct. possible.

Though avoiding involvement in more butlering activities, In specific projects. In the past year it has taken on \$50m. which includes the funds of Walter Beardsley, who headed Miles Laboratories, now part of the German Bayer chemicals

Some of Starwood's past alternative " investments have been somewhat unusual. It owns, for example, the town of Starwood, in Aspen, and has a share in a French vineyard. Chateau Bouscaut. In the 1950s backed the formation of Pantheon Press to encourage young authors in Europe - successes there included Dr. Zhivago, by Boris Pasternak.

Armstrong tends to favour a conservative line of investment over the years. Between 1972 and 1977, for example, Star-The joint management group- wood's tax-free funds -- that is. taxes gains achieved annual compound growth rate of 6 per cent. This compares with the Standard and Poor's 500-stock average of 3 per cent

per year. Starwood's philosophy, says Geneve also includes family high-quality long-term bonds, money—from the McNeils and to get out when the bonds

BY OUR LEGAL STAFF

the Revenue may ask for

from the gross payments

(b) the time when the tax is

F.C.60 we are liable for the It is unlikely that you will be

monies to the Inland Revenue penalised for your indulgence

and may be accused of lax towards the subcontractor, but

unlikely to reclaim our debt interest in respect of the period

court. In view of the specific company should have paid over

and short-term nature of the the tax it ought to have deducted

defence we can offer the Inland actually made on account of the

As far as we can deduce the actually paid by the subconfacts, you did not purport to tractor himself, withhold subcontractor's lax The compay's accountants will-

from the payments in question: no doubt advise you to place

you made payment in full, and the facts before the company's

simply applied part of the tax inspector, so as to make it untaxed payments towards the clear that there was no collusion

reduction of the subcontractor's between the company and the

the subcontractor's accountants, so that they will understand No legal responsibility can be

why you cannot issue an FC60 accepted by the financial Times

and probably the simplest solu- for the unswers given in these

tion is to put the subcontractor's columns. All inquiries will

indebtedness to the company, subcontractor,

_accountants in touch with the answered by

Revenue and any claim we can subcontractor's invoices and

Nicholas Leslie

Apart from money, the major

continued to grow.

A job evaluation scheme had been initiated by the company's again. own O and M section, but mancontrol or any forecasts for recruitment purposes.

Cruickshank convinced vest in setting up systems that

Just over a year ago these tasks were put out to tender to consultancy firms. "Some sent in proposals off the top of their heads." recalls Cruickshank, "some sent in readymade packages from the shelf. but others came in and did some research. We gave the contract to W D Scott and Co. whose experts sat with us for several days before coming up with a suggested approach that could improve things and make

Scott's approach was to select nine members of the Lloyds and

Sydney Paulden on how a sensitive work-reorganisation scheme was carried out

Manpower control without tears

Starwood is still taking on chairman of Lloyds and Scottish. family fortunes for investments the Edinburgh-based financing group, a couple of years ago. he initiated great emphasis on manpower development A new job, Director of Management Services, was created at the group's main subsidiary company, Lloyds and Scottish Finance, to take charge of percommunications. sonnei Organisation and Methods, the staff college and training responsibilities, as well as transport. George Cruickshank got the new job. and the brief. "Make sure our resources are

> resource of a finance company is people. George Cruickshank's priority was to ensure that the company had the right number of right people at the right time. Before he could embark on that he had to know what the workload was and what 't would become as the company

The finance unit had originated in 1947, staffed by seven people at head office in Edinburgh, with four branch offices. By 1977, the staff numbered 1,500 with about 500 at the HO and over 1,000 distributed amongst 96 branches throughout Britain. "With that kind of growth." says Cruick-shank, "you tend not to get time for all the management

chairman and the Board to inwould give an up-to-date picture of the work to be done. analysed to provide -unit by unit-a detailed account of the manpower required, and evaluated so that the skills and manpower wage or salary needed for each job could be identified.

savings before making a bid for.

Scottish Finance staff to be trained in the analysis of office

Mr. George Cruickshank, director of Management Services at Lloyds and Scottish Finance

The long-term "spin-off

from this has been extremely

valuable, says George Cruick-shank. Every month, each

departmental head and cach

manager submit a CWIP report.
It quantifies the workload, broken into different factors.

and gives a detailed picture of

there is to be done and how

many manhours we have avail-

load up to six months chead

and the recruitment that might

be needed to cover it. This

approach means that managers

really have to manage, taking

account of recent history and

planning for the future. It fits

like a complete jigsaw into the

company's own 3-year corporate

re-arrangement of operations

By analysing the actual work

the time it required, a

planning structure."

"This means that we can all

staff availability.

office and in all the branches. with only guidance from two Scott consultants during these operations. As a result, analysis and assessment of the work flow are now going on continuously, conducted by individual Lloyds and Scottish Finance managers, ensuring that things are not allowed to slide

'In the first year," claims agement had precious little data

Cruickshank, our savings
on which to base any manpower covered the cost of the exercise. by 300 per cent. We are currently handling a throughput of 38 per cent more transactions and have 22 per cent more financial cases on our books, yet our head office staff has been reduced by 14 per cent and our branch staff has risen by only

gauge staff requirements, Cruickshank can point out that. without the new approach, the company would now have been paying salaries to 24 per cent more people in the branches and an unknown extra quantity of headquarters personnel. "Head assess and control. We only knew that staff numbers rose relentlessly.

How was this sensitive transithat assignment, management and lunch break. the sole union recognised by the staff would be achieved management

work and systems. They then apply for training as members CWIP and the job evaluation investigated the work at head of the analysis team and eight objectives and benefits. men and one woman were selected for training. All were given a course on CWIP-Scott's Clerical Work Improvement Programme - and two were also instructed in techniques of job evaluation, as part of the process of setting wages

and salaries. The whole company was then told in detail what the approach see at a glance how many hours was to be. The Board of Manage- of each different type of work ment, the area managers and the heads of sections were addressed by the consultants able to do it. The report gives and by the management services an estimate of the future workpersonnel and were introduced to the new team of analysts.

The cierical workers were then issued by the team with work diary sheets, broken down into 15-minute bands. The Using the rougher yardsticks employees were asked to log the that were previously employed main tasks they carried out main tasks they carried out during the day. The team used reference books in order to calculate how long each task should take and the manpower that was required to achieve this total of tasks.

George Cruickshank emphasises that the intention of the office work was more difficult to exercise was not to make the employees overwork. "There were generous personal allowances built into all our calculation achieved? The monient about one hour per person per that Scott was awarded the day." This is in addition to the

The job evaluation operation company—the National Union was carried out simultaneously. of Bank Employees-were in A committee of five was set up formed of the study that was to hear appeals against any congoing to be carried out. It was tested job description and agreed that there would be no assessment, comprising two redundancies, but any reduction union representatives, two local through natural wastage. Both and a chairman from senior

worked with the study team so

operations not so sensitive to timing were either brought forward or delayed in order to leave personnel free to handle the cur rush. in some sections, "new busipaperwork had always been handled by a separate staff

savings. August, for example, was always a big month for car financings, with the new annual

registration number. Instead of

staffing to accomodate this

peak, a number of cierical

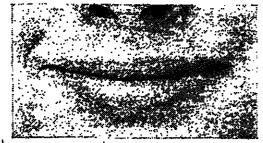
to that handling existing customer accounts. By studying the workflow, it was found that in many offices five interchange able clerks could comfortably carry out all the tasks for both types of work, where pretiously nere had been two teams of three people each.

The monthly CWIP reports are now providing information as Manpower Audits, greatly simplifying the personnel func-tion for George Cruickshank and providing a wealth of data to assist management control and planning. On each man-power audit sheet there is a hierarchical chart naming all the personnel in the branch or department concerned. Each name has three numbers below it, indicating age, years served with the company and years served in the current position. Cruickshank's own chart, for example, shows him as 42/17/2, indicating he is 42 years old. has been 17 with Lloyds and Scottish Finance, and has been a director of management services for two years.

This information is invaluable." he says, " for noting, well in advance of any crisis, which people are coming up for retirement age, so that a likely replacement can be spotted in good time. It shows us which key people may be suffering from lob stagnation, so that we can give them a change or a step up before their feet get too

Not only has the scheme paid for itself in cash economies, but it is contributing to more effective management, making it possible for the managers to plan ahead and giving them and personnel was able to time to keep the interests of achieve substantial immediate their staff well in mind.

In 100 years, we haven't been able to improve sides agreed a redeployment management. Jobs were graded clause, whereby management for rates of pay. In each section and in each would be free to move staff from one type of work to another if branch, the analysis highlighted any imbalances in the workload. nbalances in the workload. that they could fully understand Candidates were invited to the approach and appreciate the an Exhibition of 150 Antique stoves of Europe on one teaching aid.



You learned your first language with the help of avery special teaching aid. The voice of your mother.

Herlips, her gestures, indeed her whole personality communicated in the most efficient way. Nature's way. No records, no headphones, no

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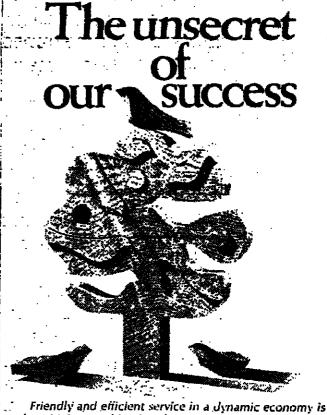
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towing up to 11/4 tons, as the tow-bar is kept at a constant height, mini-

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Of course if all the seating were fixed and static, the Familiale's carrying capacity would not be used to the full most of the time.

So the entire back row folds flush down to the floor and allows the Familiale to be turned into a five seater estate car instantly, with greatly increased luggage space.

A TOUGH CUSTOMER.

Seats apart, the Familiale is identical to its stablemate, the CX Safari Estate. Those who are familiar with the Safari will know just what good news that is. But for those of you who don't, it means that you can load well over half a ton into the Familiale, arrange it any way you wish, and still the car will remain level. As a result roadholding remains outstanding whether the Familiale is fully loaded or not.

This, of course, is due to Citroën's unique hydropneumatic suspension. All four wheels are independently suspended, and height correctors automatically adjust to ensure the car remains at a constant height from the road. This system makes for a superlatively comfortable ride even over the roughest roads. The self-levelling aspect of hydropneumatic suspension also ensures trouble-free

mising the possibility of its touching the road on sharp hills and dips. QUIETLY DOES IT.

> When it comes to interior refinements, estate cars are more often than not the poor relation. This is not true of the Familiale. Comprehensive soundproofing ensures that any noise inside the car is due almost entirely to its occupants. It is sumptuously carpeted throughout, and for upholstery there is a choice between luxurious jersey cloth and tough hardwearing Boxline, ideal for sweet loving children and mud loving dogs! The front seats recline fully and have adjustable

detachable headrests. The driver's seat is also height adjustable. VariPower steering is standard,

making the Familiale a completely effortless car to park even in the most confined spaces. But VariPower also has a unique advantage over other power steering systems.

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Performance too, puts the Familiale into a totally different class. Top speed is a swift 108 mph. Getting there is simple, especially with the optional C-matic transmission. Yet petrol consumption is quite extraordinarily low for such a big car. For example, you can confidently expect to achieve 307 mpg (9.21/100 km) at a constant 56 mph (90 km/h).*

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There are safety features in abundance. Fully-powered disc brakes always ensure full braking efficiency. Both front and rear ends are energy absorbing, helping to prevent damage reaching the rigid passenger compartment. In harness with its surefootedness, these features make the Familiale one of the safest cars ever seen on the roads of Britain.

A word of reliability. Underneath the Familiale's classic lines is a ruggedness of construction easily the equal of that found in its uglier competitors. Major services are only required every 10,000 miles. In addition, like every CX imported into Britain, the Familiale is given an extra thick underbody seal to keep the British climate out.

All in all, the Familiale is arguably the best family car you can buy. Because, with its uniquely flexible seating arrangement, it can take on any number of shapes and sizes. Just like families.



BY COLIN JONES

FOR ALL the criticism of the they saw it as a step which it minority of persistent big spen-would be prudent for an ders among local councils, there has never been any real danger of British local authorities getting into the kind of financial pickle that faces New York. Cleveland, Tokyo and some Italian cities. The law forbids local councils in this country from going into permanent debt to finance a revenue deficit. Their power to levy local property rates to supplement a comparatively generous government grant system makes it unnecessary for them to do so.

The Greater London Council has now taken this tradition of financial rectitude an interesting step further. It has established as formal policy its recent practice of financing all non-housing capital expenditure out of revenue rather than new

At first blush, the significance of this move may seem to be more a matter of principle than of practical effect. For, with housing accounting for more than 80 per cent of the GLC's outstanding loan debt (which totalled some £2.2bn at the end March 1978), the authority will still be one of the country's largest borrowers, needing to raise about £360m a year mostly for re-financing purposes.

Opportunity

The decision was moreover but the final step in a policy which has been gradually evolved by both Labour and Conservative administrations. The large reduction in local Government capital expenditure generally, and the GLC's increasing concentration on the inner city, the Thames barrier, and other investment projects which attract large capital grants, have made it easier for the GLC to move towards 100 per cent internal-financing of non-housing investment.

With this category of investment set to rise again and the GLC's internal capital fund now close to equalling outstanding financial advisers saw an opportunity which may not recur to redeem all past debt and establish internal funding as a firm

With monetary discipline -than in the 1950s and 1960s, to go in for internal funding.

authority of GLC's size to take. Even if the presumption about future market conditions was wrong, the consequences would not be detrimental to the GLC's -and its ratepayer's-interests. But, if the presumption was right, then funding non-housing investment internally would give the GLC greater flexibility as to timing and form in managing its housing debt.

said to be prudent in another sense too. With London's population falling (and aggregate rateable values growing hardly at all in real terms), the capital's outstanding local authority debt per head of the population is already 70 per cent above the national average. At the same time, internal funding will give the GLC more freedom from Whitehall. This is because government controls on local authority investment operate not on total spending but take the form of loan approvals.

funding policy as one that other councils should necessarily follow. But revenue financing of capital spending has risen generally in the last few years of investment restraint and, if the GLC's example were to be widely followed, the government would clearly have to review its present methods of control. Although internal funding reduces the PSBR it undermines Whitehall's influence on aggregate local spending.

Explicit

As the Layfield committee pointed out, an instrument (loan approval) designed to ensure financial probity is not an appropriate macro-economic weapon. The committee recommended its replacement with a control operating directly on the proportion of internal funding, as part of a radically overhauled grant system based upon unitary grant lines. Most councils are against the unitary grant as it would make explicit their responsibility for above or below average spending in relation to assessed needs. But it could well come - together likely to be tighter in the 1980s with a replacement for Joan and re-financing costs heavier approvals if more of them were

Preparing for a late summer lift

to be busy with ordering flowerbulbs and tubers. I have only
just seen my first crocus. It does
not look too pleased with itself
all. A few go
and snrinking, put earth round
them now and keep them quite
white daisy-flowers of the shasta and twisted and the pute
white daisy-flowers of the shasta and twisted and the pute
solvery thistles, avoid this, the
biggest of them all. A few go
to be busy with ordering flowerbulbs and tubers. I have only
just seen my first crocus. It does
not look too pleased with itself
a long way, but if you place
them as you may be about to
them, but I was impressed last
them, but I was impressed last a long way, but if you place after the long affliction of the cold winter. But we all have to keep one step ahead of the in June and July at the moment. not on the Mediterranean but be staked, though. back in the flower-heds where Otherwise, turn to the bulb you are bound to be troubled catalogues. Summer bulbs, I with gaps and losses after rough

often point out, are very good value. They give the garden a lift in late summer. They are Reliable buys often tall, bold and almost too heavily clothed with leaves. If you want to make them up Everybody knows the dahlia, cheaply with all annual flowers. though not everybody rememget a move on. The longer you grow some of these tall bers that it came from Mexico with a Mr. Dahl. So I will con-

There are, really, only three things which I want to say. I assume that you will go off and move a few into pots as I described 'some 'weeks back. Remember that there are a few order the tubers promptly. I perennial border plants which also assume that you know how will make a tall show this year. to delay planting until late Anchusa, fennel, verbascum and May: you start them off first in the hollyhock are reliable buys. boxes of earth which just cover tive" ones are too overpowering colours. A white called doxy is whereas plants like phlox or rudbeckia will need a year or warm place. But owners of old If all the elm trees have died, if the next-door farmer has may find that some are begin- week. But unless your flowertaken out the hedge and the pre-vious owner has stripped you of strawed boxes which took them are so much heavier than any-

cern myself with that.

While checking them out

year by a block of pompon black them well, they can bring a bare remember that they are the baby, almost true to its name, garden through those years easiest things to divide. Just among a sea of these white among a sea of these white Your thoughts should be before the lime trees have cut off a cluster of these small flowers. It is a little over three and July at the moment. reached 12 feet. They have to tubers. One old dahlia should feet tall and very dark maroon. turn into three new ones, at Black and white are a pair of has taken the prizes, not un-

GARDENS TODAY

BY ROBIN LANE FOX

Which, though, are best? I would do well to cultivate. This strongly prefer the big starry pair in August and September flowers of the cactus class and the smaller double ones of the pompon to the shaggy double sorts which are generally sold as "decorative." These "decora- They cover some unusable the tubers and stand them in a for most flower-beds. You can warm place. But owners of old get away with them in a vegetubers forget, at times, to check table garden or perhaps in the them over in early spring. You cottage-garden I touched on last are so much heavier than anytimber, cheer yourself up with last November. It is worth thing else at the time of year—the enormous silver thistle, or checking through for any rot. I think they are out of propor-

the enormous silver thistle, or checking inrough to the composition one operation. This plant will only the complaint will the pompons are more

were most striking. For the rest, I have been pleased with a tail canary yellow called potgieter over the years. Beware of the orange, and salmon-roses, good, if you do not have too much white in autumn already.

The cactus varieties are particularly fine when used as cut flowers. The least promising colours come to life in a vase. But it is also worth hunting out named varieties, even at 40p a time. Remember that you can onopordon. This plant will only Throw out any which happen to tion.

In a split them. De Jager of Marden, see of these, the better.

Split them. De Jager of Marden, see of these, the better.

Split them. De Jager of Marden, see of these, the better.

Kent will sell you two superb. They are far more impressive ones, the snow white polar sight than the little mignon and

THIS MAY seem an odd moment branching boldly like a huge and shrinking, put earth round them, for instance, with the hig whose petals are prettily curled

Park-bedding

Among tail yellows, pioncer colours which gardeners, too, deservedly. Watch out for a longstemmed one called promise which is a good cut-flower and also has nicely parted petals. I was bowled over last year by a park-bedding display of de Jager's small border princess. This is a mere two feet high. small-flowered and that shade of copper-blush pink which is otherwise best found in a chrysanthemum. I think it would also work in a private garden. For a long season and a clear white, go for highness, reliable companion to the in the garden you need to place your orders now for planting in fancy polar sight.

From experience, I prefer these fine varieties to the bags sold as bargains in chain stores in late spring. Breeders have gone wild with the dablia, so it is stupid to ignore their recent results. If you buy anything, buy the best. At a lower height, I will only repeat my yearly favour for the mixed collarette sorts, the ones with a yellow centre and an outer ring of darker petals. The more we

The single-leafed dahlia-a delight

topmix sorts which breeders have been proud to produce. De Jager's, again, will sell them, but not in named colours. I hope they will draw more attention. Everybody always notices mine, the best late autumb bedding varieties at a height of two feet. But you will have to order them as they are a minority taste. Hence my nudging this week; now is the time to be busy with the lists.

Tragus in bid for fifth win

IN SPITE of the absence of ing into the lead at the fourth ing his debut over fences, it Dramatist, this afternoon's in the Warburton Novices could be that the 21 miles in Surrey Novices' Chase over two Chase, Tragus drew further extremely testing conditions miles at Lingfield has the makashead of Gale Forecast and at was beyond the six-year-old. ings of an absorbing race, the line was 25 lengths ahead Tragus, unbeaten in four of Mrs. Diane Oughton's most intriguing event on the outings this term, will be conceding weight to eight oppon- ceding 21 lbs.

varieties, the better-branched

they will be especially if you

two to be at their best.

BY DOMINIC WIGAN

ruit to chasing won even more double on the Sussex track Roller Coaster (dispualified

chaser, to whom he was con-

pion. Bob Davies, another arm. Newbury on his only subsequent chair ride when completing a appearance, course hat-trick in the Peter Duncanson Memorial Trophy severe forcing pace, never being stone Chase an hour later. in danger from his hard-ridden Uplands rival, Roller Coaster, something of a course specialist after opening up a big gap half

no diffiulty confirming super-A ten-lengths winner at Nott- iority over Roller Coaster when if that proves to be the case. easily when completing a quick For in addition to the fact that

In what could prove to be the Jackpot-supported programme, i shall be taking a chance on

springing But Morley should maintain over 21 miles. Making his own his good percentage here running. Tragus won through a through Sabroso in the God Stere Cauthen, who was rumoured to be receiving a retainer in the region of £200,000

from Robert Sangster for riding in Europe next season, will be receiving about a quarter of LINGFIELD

2.00-Norfolk Downs** 2.30—Alpenstock 3.00—Relier Coaster 3.30-Come Play With Me 4.00-Sabroso*

HTV

1.20 pm Report West Headlines. 1.25 Report Weies Headlines. 5.20 Cross-roads. 6.00 Report West. 6.15 Report Wales. 6.30 Emmerdate Farm. 11.30

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

4.30-Rube's Wicket

5.15 Crossroads. 6.00 Granada Reports. 6.30 Give Us A Clue, 11.30 What The Papers Say. 11.45 The Practice.

Wales. b.30 Emmerdere Farm. 11.30 Stringoy Jones.
HTV Cymruf Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion y Dydd, 4.20-4.45 Rydw I Am Fod 6.00-6.15 Y Dydd, 10.30-12.30 am "Don Pesquale" HTV's production of Donzetti's "Don Pesquale" centres on the performance given by Sir Geraint Evans. It is sung in Italian with Welah subtitles.
HTV West—As HTV General Service except: 1.20-1.30 pm Report West Handlines. 6.15-6.30 Report West

1.25 pm News and read and weather 5.16 Testime Tales. 5.20 Crossroads 6.00 Scotland Today. 6.30 Best of Weir 9.00 Relerandum 79. 11.30 Late Cali 11.35 Love Story.

1.20 pm Southern News. 2.00 Houseparty. 2.25 Young Ramay. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day. 6.25 Scene Midweek South East Arisa Only). 6.45 Dick Barton—Special Agent. 11.30 Southern News Extra. 11.40 The Eléctric Theatre Show.

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Where The Jobs Art. 5.15 Levenne and Shriey. 8.00 Northern Life. 11.30 Police Surgeon. 12.00 Endouse.

1.20 pm Lunchtume. 2.26 The Electric Theatre Show. 2.55 Untamed World. 4.18 Ulster News Headlines, 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 11.30 Baddines.

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TALK OF THE TOTTN. CC. 01-734 SOS1, Alt-Sorditioned. From 8.00, Dishte and Dancined.S. SUPPER REVUE RAZZLE DAZZLE at 11.00 MARC ANTHONY.

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VAUDEVILLE. CC. 01-836 9988.

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LAST WEEK. Evenings at 8.00.

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SHATLA HANGOK
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Best Masical of the Year 1978 Les.
Stand. Drema & Playt & Players. Awares.
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Shahespeart Co. Ton 1. tomor S.O. Baal
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1. Adv. bigs. Algorich.
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Asonday to There. 2.00 Methodes Fri.
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9.10. 7th week.
LASSIC 1, 2, 3, Permantet (Piccassis)
Cirtus Tubel.
1. Elliott Gould, James Brolin. CAPELCORN ONE (A). Cont. from 1 am.
2. THE HILLS HAVE EYES (X). Peter
Backworth, MR. SAITH (X). Cont. from J. Jacqueline Sisset. George Sept 700 MANY CHEFS Al. Com from 12.45 pm. CLASSIC 1. 2. 3. 4. Oxford Surest, 636
6310 FORD TOTAL BAND CONT. Rd. TUDGS.
T. THE HILLS HAVE EYES 'X' Peter
Backworth. Mr. SMITH (X). Conf. from
2. Final Davi SGT. PEPPER: LONGLY
HEARTS CLUB BAND (I). Cont. from
1.75 pm.

1.15 pm.

3. THE CHANT OF JIMMY BLACKSMITH (X). Cont. from 1.15 pm.
4: Clim: Estsword EVERY WHICH WAY
BUT LOOSE (AA). Cont. from 1.20 pm. CLASSIC Lecester Square 0.1-930 6913.

7. THE HILLS NAVE EYES (X). Peter Brickworth. MR. SMITH (X). Cond. from 12.50 pm.

CLIRZON. Curron Street, WI. 499 3757.
ISABELLE HUPPERT (X)
(English subtitle.) Shewing at 1.15 (not Sun.). 3 40, 6.05 and 8.30.

Sun.). 3 40. 6.05 and 8.30.

ENTESTER SOUARE THEATRE (030 5252)

DAMIEN CHEN II (X). Sep. proct. 1.10.
4.40, 8.10. All scats bible, at Box Office or by boxt fcr. 8.10 bride. Last day.

GUFON. Haymarket. (930 2738-2771)

MAGIC CO). Sep. perfs. Wis. 2.15, 5.15.
8.15, Atl sears bible, at Box Office or by post. 8-15. Att sears bibble, at Box Office or by post.

OFFON, felcever Square, 1930 5111.)
ASHANTI: (AAI, See, prop. Jaily, doors osen 145, 445; 745. All seats bible at Box Office or by post. From March 20. Mill Simon's Califfornia Suitz (AAI, All seats bibble at Box Office or by post. SOX OFFICE NEW OPEN.

ODEON, Marble Arch. W2 (723 2011-2)
Fittigh Fewort-Maior. 1et Brisdes in SOMEEDODY KILLED HER HISSAND (A) See, props. Wis., doors open 2-15, 5.00.

Sep. progs. Wis.. bears open 2.75, 5.00.
5.00.

PRINCE CHARLES, Leic, Sq. 01-437 8181.

IN PRAYES OF QLINGR WOMEN (X).
Sep. parts. div. finc. Sun.1 12.40, 5.10.
5.55, 8.35. Late show Nightly 11.15.
Sauts bitcle, Licid Bar.

STUPPO 7. 2.4. Order Circus. C17 3200.
1. An all-ster ray in Robert Altman's
A WEDDING (AA). Progr. 2.20, 5.10.
7.55; Late Show Sat. 10.45 om.
2. Agatha Christie's DRATH ON THE
NIEE (A). Progr. 2.30, 5.25, 8.10. Late
Show Sat. 10.40.

. THE DEEP HUBSTER (X). Sep. Perfs.
11.20. Seets bitcle.

£780,000 Silks issued 28th Pebruary 1979 due 30th May 1979 at 12-9'64ths $^{\rm o}_{\rm ex}$. Total application £5.250,000. No other

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BBC 1 7.05-7.55 am Open University For Schools, Colleges, 10.45 You And Me. 11.00 For Schools, Colleges, 12.45 pm News, 1.00 Pebble Mill, 1.45 Fingerbobs, 2.01 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Touché Turtle. 4.25 Jackanory. 4.40 Take Hart. 5.00

5.40 News.

8.10 Mastermind International. 9.00 News.

9.25 The Risk Business: On what basis are the railways being run?

10.05 Sportsnight. 11.00 Tonight from Madrid.

South-East only). 6.20 Nationwide. 6.45 Noel Edmonds' Lucky

F.T. CROSSWORD PUZZLE No. 3.909

ACROSS

bird (8) any currencies (6) 11 Finish with wrath and 16 Bird with outer coating of expose to injury (8) pastry (8)

14 Mad reason to provide transport (10) 18 Instrument for whetting (10)

12 Drink for carrier (6)

22 Insect the French must follow in delight (6) 23 Article left behind border is barely sufficient (8) 24 First of trucks is corroded

but strong and firm (6). 25 Slavonic language to editor is refined (8) 26 Witty answer from distiller 27 Ship going round head of river displaying pennon (8)

DOWN 1 Smoker on a ship (6) 2 I'd pry around at end of 3 Ashore at home to secure 4 Fetch her no change from

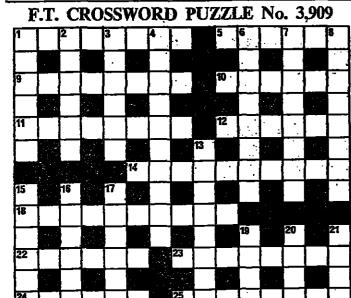
6 Etiquette shown by pro-

now on (10)

5.55 Nationwide (London and

10.15 and 11.10 The Cutty Sark for Scotland.

Scotland-11.00-11.20 am and



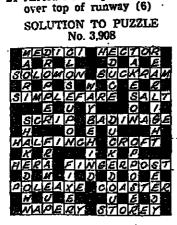
I Window displaying article in

7 Having power to choose ringleader in charge (8) 5 What's put on bread for a 8 Left claim to reward with editor (8) feast (6) 9 Wrongly sent fish for young 13 Where traffic circulates and bird (8) gives children's rides? (10) 10 Doctor changing yens for 15 Apparatus for stirring a political rabble-rouser (8)

pastry (8) 17 Great admirer and I perform afterwards (8) 19 I get in confusion making fire (6) grates going to north-east 29 Choral work containing two articles before start of music

21 Aircraft is to pass smoothly

fessional to colonel (8)



6.45 Noel Edmonds' Lucky Numbers. Wales—2.18-2.38 pm I Ysgolion. 5.05-5.35 Bilidowcar. 5.55-6.20 Wales Today. 6.45 Heddiw. 7.05-

Ireland. 11.40 Weather/Regional News.

All Regions as BBC-1 except
at the following times:—

England 5.55.6.20 pm Look
East (Norwich): Look North
(Leeds, Manchester, Newcastle):

> Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth). BBC 2

11.00 Play School. 4.50 pm Open University. 6.55 Frankle Vaughen in Profile. 40 Mid-evening News.

LONDON 9.30 am Schools Programme. 12.00 Cloppa Castle. 12.10 pm. Rainbow. 12.30 The Cedar Tree.

> 1053kHz/285m 1089kHz/2/5m

693kHz/433m

5.00 am As Radio 2. 6.00 Dave Las Travia. 9.00 Simon Betes. 11.31 Paul Burnett. 2.00 pm Miks Read. 4.31 Kd Jensen. 7.00 Radio 1 Mailbeg. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2
5.00 am Naws Summary, 5.02 Tony Brandon (S), 7.32 Terry Wogan including 8.27 Racing Bulletin and 8.45 Pause for Thought (S), 10.02 Jimmy Young (S), 12.15 pm Waggoners' Walk, 12.30 Pete Murray's Open House (S), 2.30 David Hamilton (S), 4.30 Wagoners' Walk, 4.45 Sports Desk, 4.47 Ray Moore (S), 8.45 Sports Desk, 4.702 Robin Richmond (S), 7.30 Listen to the Band (S), 8.15 The Mugic of the Musicals (S), 9.02 The Impreserios, 9.55 Sports Desk, 10.02 The Grumbleweeds, 10.30 Gareth Edwards says Be Mv Guest, 11.02 Sports Desk, 11.05 Brian Matthew introduces Round Midnight including 12.00 News; 2.02-5.00 am You and the Night and the Music with Bill Rennetis (S).

KALJU 3 16.55 am Weether 7.00 News. 7.05 Your Midweek Choico, part 1 (5), 8.00 News. 8.05 Your Midweek Choice, part 2 (5), 9.00 News. 9.05 This Week's Composer: Bridge (5), 9.55

2909kHz/330m

RADIO 1

RADIO 2

GRAMPIAN GRANADA L00 News, plus FT Index. 1:20
Thames News. 1:30 Crown Court. 5.10 Max the 2,000 Year-Old Mouse.

1458kHz, 206m & 94.9vhf Capital Radio : London Broadcasting :

KADIO 4

6.00 am News Briefing, 5.70 Farming Today, 6.25 Shirping forecast: 6.30 Today: magazine, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the Day, 6.45 Fallow-Townsmen, 9.00 News, 9.05 The Living World, 9.35 The Popular Image, 19.00 News, 10.05 Gerdeners' Question Time, 70.30 Dally Sarvice, 10.45 Morning Story, 11.00 About Face, 11.45

Lieten With Mother. 12.00 News.
12.02 pm You and Yours. 12.27 Tell Ma Where It Hurts (S). 12.55 Weether; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 2.02 Woman's Hour. 3.00 News. 2.05 Afternoon Wheetre (S). 2.50 Choral Evensons. 1. 4.35 Story Time. 5.00 PM: "Negazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 Instant Sunshins Go Gardaning (S) 8.05 Father Greene's Ash Wednesday Mass; Portrait of an Irish country priest. 8.45 Anelysis: Crossfoods for Europe. 9.30 Kaleidoscope: Spender 17.0. 9.55 Weather. 10.00 The World Yoninht. 10.30 The Movie Moouls (S) 11.00 A Brok at Bedtime. 11.75 The Finsencial World Toninht. 11.37 Referendum Raport. 12.00 News. BBC Radio London

5.00 am Morning Music. 6.00 A.M.: news, information, travel, sport. 10.00 Brian Hayes. 1.00 pm LBC Reports. 3.00 George Gala. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra. Capital Radio

Sweeping Along and Sweet Tragus gave the former chamSeptember.

In his only race since then, Roller Coaster, a respectable fourth behind Dramatist at David Morley's top weight, RACING

here with two victories over a mile from home. today's two-mile strip to his Although the form of that credit, has not been hard-race indicated he would have pressed in any race. ingham and Fontwell in Decem- on worse terms by only a pound ber, the Bury St. Edmonds re- in weight, I shall be surprised

early in January. Maintaining after gaining a narrow hurdles a relentless gallop after forg- victory first time out) was mak-Graham's Gang. 5.35 Noah and 2.18-2.38 pm For Schools. 5.55- 2.00 After Noon Plus. 3.20 6.20 Reporting Scotland, Between Kitchen Garden. 3.50 Letter by Letter. 4.20 How. 4.45 Park Ranger. 5.15 Little Vic.

5.45 News.

6.00 Thames at 6.

8.30 Take My Wife.

6.25 Help! 6.35 Crossroads. 7.00 This Is Your Life. 7.35 Florida. 11.50 The Hound of Heaven. 12.20 am News and 7.30 Coronation Street. 8.00 Leave It To Charlie.

> 9.00 Mickey Duff: Matchmaker. 10.00 News. 10.30 Showjumping. 11230 Guinness Golden Darts, 12.00 What The Papers Say. 12.15 am Close: Jo Maxwell

Muller reads an Old Testament story.

All IBA Regions as London except at the following times:— ANGLIA 1.25 pm Anglia News, 2.00 House-party, 2.25 Family, 5.15 Mr. and Mrs. 6.00 About Anglie, 11.30 The Company Men. 12.30 am The Big Question.

ATV 1.20 pm ATV Newsdesk, 5.15 The Rolf Harris Show, 6.00 ATV Today, 11.30 Twist in the Tale, BORDER 11.20 pm Border News. 2.00 House-party. 2.25 Family. 5.15 The Roll Harns Show. 6.00 Lookaround Wednes-day. 11.30 The Practice. 11.55 Berder News Summary.

CHANNEL : 1.18 pm Channel Lunchtime News and What's On Where. 2.25 Femily. 5.15 Emmerdale Farm. 6.00 Channel News. 6.15 The Funky Phantom. 10.26 Channel Late News. 11.30 Barnaby Jones. 12.20 am Epilogue followed by news and weather in Franch.

12.27 pm Gus Honeybun's Birthdays.
1.20 Westwerd News Headlines. 2.25
Family. 5.15 Emmerdale Farm. 6.00
Westward Diery. 10.28 Westward Laus
News. 11.30 Bernaby Jones. 12.20 am
Faith For Life. 12.25 West Country
weather, shipping forecast. 9.25 am First Thing. 1.20 pm Grampian News Haadlines. 5.15 Emmerdale Farm. 6.00 Grampian Today. 11.30 George Hamilton IV. 12.00 Reflections. 12.05 am Grampian Lats Night Headlines.

1.20 pm Calendar News. 5.15 Mr. and Mrs. 6.00 Calendar (Emisy Moorand Belmont editions). 11.30 Electric Theatre Show.

5.00 am As Radio 2. 6.30 Rush Hour. 5.00 London Live. 12.03 pm Cell in. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look. Ston Listen. 7.30 Black 1-Joners. 8.30 In Concert. 10.03 Late Night London. From 12.00—As Radio 2. London Broadcasting

Capital nature

5.00 am Grahem Dene's Breakfast
Show (S), 9.00 Michael Aspal (S)
12.00 Dave Cash (S), 3.00 pm Roger
Scott (S), 7.00 Londer Today (S)
7.30 Adman Love's Open Line (S), 9.00
Nicky Home's Your Mother Wouldn't
Like It (S), 71.00 Tony Myett's Late
Show (S), 2.00 am Duncen Johnson's
Night Flight (S).

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EVES. 8.00. Tues. 2.45. Set. 5.00, 8.00.
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DUKE OF YORK'S. CC. 01-856 5122.
Evenlags 8.00 pm. Mists. Thurs. 3.00 pm.
Set. 5.30, 8.30.
TOM FELICITY
COURTENAY
COURTENAY
"IS GLISS" Cheerver.
"MICHAEL FRANYS FUNNIEST PLAY."
Daily Telegraph.

GARRICK. CC. 01-836 4601. Evs. 8.00. (shero). Wed. 3.00. Sat. 5.30 and 8.30. DENIS QUILLEY IN IRA LEVIN'S DEATH TRAP New Tariller. THREE CHEERS FOR TWO HOURS OF VERY INGENIOUS. VERY FUNNY MARVELLOUS ENTERTAINMENT." S.Tel. "VERY EXCITING." Fig. Times. GLOSE THEATRE: CC. 01-437 1592.
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CHRISTOPHER CAZENOVE
ID ALAN AYCKEDURN'S New Consec

GREENWICH THEATRE 01-858 7755. Tet. 7.0. Sub. evgs. 8.0. Mat. Sat. 2.30 LEONARD ROSSITER IN SEMI-DETACHED

KING'S MEAD, 226, 1918. Dinner 7, 30:
Show 8.30 THE ERPINGHAM CAMP by
Joe Orton. "Full of Combic Merchants".
TID. TIME. LAT WEEDONIC MERCHANT
KING'S ROAD THEATHE. 01-782, 7488.
MORGAY TO THISTORY 9,00
FILLAY AND SALVETOR 9,00
FILLAY AND SALVETOR 9,00
THE ROCKY HORROR SHOW
DON'T DERAM IT. SEE IT
LAST FIVE WEEKS

Internal funding could be

The GLC does not see its

Scottish Curling Championship (highlights). 11.50 Referendum Report. 12.00 News and Weather

Northern Ireland—3.53-3.55 pm Northern Ireland News, 5.55-6.20 Scene Around Six. 11.50 News and Weather for Northern (Leeds, Manchester, Newcastle); Midlands Today (Birmingham);

6.46-7.55 am Open University. 10.20 Gharbar. 10.45 Parosi.

7.50 The World of Rugby. 8.15 The Money Programme. Devolution in Wales and Scotland (views businessmen). 9.25 The Devolution Debate.
11.15 My Kind of Movie:
Marjorie Proops on
"Breakfast at Tiffany's."

11.20 Late News. 11.35 Arena: Cinema.

> Radio Wavelengths 3 1215kHz/247m & 90-92.5vhf sten 42 92-95vhf

> > Music for Organ (S), 10.30 Threa Bachs concert (S), 11.20 Middey Concert, part 1 (S), 12.00 in Short (talk), 12.10 pm Middey Concert, part 2 (S), 1.00 News. 1.05 Concert Hall (S), 2.00 Symphonies From The New World (S), 3.00 The Shostakovich Quartets (S), 2.55 Finnlah Piano Music (S), 4.40 Beethovan chamber music concert (S), 5.10 Young Music Makers (S), 5.25 Homeward Bound (S), 15.45 News, 15.50 Homeward Bound (S), 15.45 News, 15.515 At Home: Concert, 7.10 Gradus ad Parnassum (S), 7.30 BBC Symphony Orcheetre correct, part 1 t5.15 At Home: Concert. 7.10 Gradus ad Parnassum (S). 7.30 BBC Symphony Orchestra concert. part 1 (S). 8.10 Perudite Illustrated: New telling of the old story. 8.40 BBC Symphony Orchestra, part 2 (S). 9.20 Philipdelphia—A Hebitabla City (talk by Peter Shepherd). 8.40 Kurt Senderling conducts Tcharkovsky. 10.30 The Arts Worldwids. 10.50 Mozart's Plano Trice (S). 11.55-12.00 News. VHF Only—6.00-7.00 am and 5.45-7.10 pro Open University. RADIO 4.

OLD VIC THEATRE, 01-928 7515.
Yanng Vic Company in Shahesbeare's Tribony directed by Michael Rogdanov.
RICHARD III jodev 7 30. Thurs. 2 pm.
HAMLET Thurs. 7.30. TEMPEST Fri.
7.30

PALLADIUM. CC. 01-57 7373. Twice Daily. 2.45 and 7.30. DANNY LA RUE

PRINCE ZDWARD. CC. 01-427 8677. Evenings 8.00. Mat. Thurs., Sat. 3.00. by Tim Rice and Andrew Lloyd-Webber Directed by Haraid Prince.

Evening Standard Grama Award

QUEENS, CC. 01-724 1186.
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TOMMY

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ANNA NICHOLAS and 808 GRANT.

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THEATRE UPSTAIRS. 730 2554, MON-Fri. 7.30, Sat. 7.30 and 9.30 WINSTON NTSHONA In FULL FRONTAL by Michael Hastings.

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PUBLIC NOTICES

RATES

For further details write to manager. Financial Times.

FINANCIAL TIMES SURVEY

Wednesday February 28 1979

Airliners

THE NEW GENERATION

Firm orders for more than 700 jet airliners worth over £8.5bn were placed by the world's airlines last year. This trend of re-equipping the civil aviation fleets is expected to add more than 4,000 new airliners throughout the world by the early 1990s.

Orders start

GROWTH IN world civil ariation is now gathering momentum. While estimates for very widely, it is generally accepted in the world's airline and serospace manufacturing industries that passenger traffic is likely to grow at an average port capacity in some countries, and air traffic control and naviof about 7 to 8 per cent a year, with cargo expanding at a slightly higher rate.

This is rather lower than the mowth experienced in the mid in late 1960s, but it is nonetheless sufficient to give the world's airlines and aerospace manufacconsiderable problems, not forgetting also airport owners and other being called "tourist pollution," aviation authorities. But the may also serve to curb the expansion is likely to be patchy, anticipated rate of expansion. with higher annual growth being experienced in some of the developing countries of the Third World than in the already highly-developed air transport regions of Western Europe and North America, notwithstanding the stimulus to travel being air travel development, although

routes to economic growth.

Another factor is the undoubted expansion in tourism which is taking place worldwide, to the extent that in many countries it has already displaced business travel as the main source of air passenger traffic.

But there could be some constraints on this growth. Fears of a new oil crisis, and higher fuel prices, may damp down some part of the demand. The ability of the world's airlines, aerospace manufacturers and the ground infrastructure to cope with a sustained expansion at this level may itself prove inadequate—for example, as a result of limitations on airand air traffic control and navigational difficulties in othersand this may serve to curb the rate of expansion. The inability of ground-based hotel and transport facilities to cope with ever-increasing numbers of tourists, and even the determination of some countries to restrict the inflow of tourists in a bid to prevent what is already being called "tourist pollution."

Growth

some countries which will affect creating the demand for the new it is fair to point out that even plosion in travel demand has in the UK last year, when come, fortuitously for the air-

to 15 per cent, or some 40m pas-sengers. But, short of another major international upset such as the oil crisis of late 1973, with its subsequent economic difficulties in many countries, the world aviation industry is confident that the 1980s will see at least a steady expansion in demand for air travel.

Translating this into terms of airliner demand is one of the most difficult tasks confronting the world's aircraft manufac-turers. Estimates of airline spending throughout the 1980s vary widely, from about f40bn for about 4,000 airliners of all kinds up to about £60bn for some 6.000 airliners. The emphasis is on the development of new short-to-medium range transports, because it is on the shorter routes that most of the world's airline passengers currently travel, and where the growth is likely to continue to notwithstanding the current expansion on long-haul routes as a result of cheaper fares. The "explosion" cheap fares on short-haul routes is lagging behind that on long-haul routes, and when it comes, as it now shows signs of doing, it may not be so extensive as on the long-haul routes, but still sufficient to encourage a higher rate of expansion than at present.

There may also be industrial But it is not just the growth and economic difficulties in of air travel itself which is generation of airliners. The exby cheaper fares.

One of the reasons for the available economic growth as a whole was craft bullders at a time when also perparation industry's confidence at a low level, the growth of air one-tra of civil aviation develop-

are now ageing. This in turn coincides with the need both to improve fuel consumption to meet the remorseless rise in fuel prices and costs of all other kinds, and to reduce noise levels to meet increasingly rather than revolutionary stringent legislative and other controls, imposed by governments in response to intensifyment is the growth of inter-

wide-bodied engine/airframe combination—the number of new types of engines and airframes emerging is compara-tively few, with the emphasis upon seeking evolutionary revolutionary

This Survey was written by Michael Donne, Aerospace Correspondent

ing pressures from environ- national mental groups around airports evidence and beneath flight paths.

sophisticated air transport regions of Western Europe, North America, Japan and Australasia, but they are now spreading rapidly throughout the world so that the airlines have no alternatives but to buy quieter, and more fuel-efficient, Coupled with rising aircraft. costs in other directions, the in-evitable result has been pressure on the manufacturers to study new areas of technology designed to make fiving cheaper (or at least to keep pace with rising costs), and to make it quieter. Hence, the new generation of jets, some of them "wide-hodied," such as the European A-300 Airbus, to enable each

collaboration-best evidenced by the partnership of the UK, France, Holland, Spain and West Germany in the Eurohave been most intense in the sortium, and that between Boeing, Aeritalia of Italy and the Japanese Civil Transport Development Corporation on the Boeing 767 twin-engined "semi-wide-bodied" airliner.

The emphasis in the new generation of jets is on the short-to-medium haul category. Among the new types already in service on these routes or on the way are the European 250-300-seat A-300 Airbus, and its smaller 200-seat version the A-310, competing with the new U.S. Boeing 767 twin-engined jet; and its smaller partner the Boeing 757. In the medium-tolong range field, there are comments. Boeing intends to continue evolving its 400-seat 747 Jumbo det, with plans for new maintain its F-27 Friendship twin-engined aircraft production line, while British Acro-

in continued expansion is that many countries in the Third World have recognised that development of air transport offers one of the quickest routes to economic growth. Another factor is the undoubted a series of late 1973 are now againg. This in turn bodied concept, such as the ment—the so-called "first jet age"—is coming to an end, and ageing 757.

Because of the high costs of the high costs of developing new airliners and developing new airliners and developing new airliners and developing new airliners and engines—roughly anything up to fibn can be spent on a new wide-bodied engine/airframe wide-bodied engine/airframe. is also offering the TriStar in a variety of models, but is concentrating on its long-range derivative of the TriStar, the Dash 500.

In the smaller category of medium-to-short-haul jets of the 100- to 150-seat size, where big markets are expected to emerge in the future. Boeing is already dominant with its 727 tri-jet and 737 twin-jet, and it is already studying possible im-provements to both models so as to meet any competition that as to meet any competition that may emerge, for example, from Fokker of Holland, with its planned Super F-28 of up to 130 seats, and the prospective Joint European Transport (JET) programme from Airbus Industrie. Below the 100-seat level, the market remains wide even with only the fouropen, with only the four-engined British Acrospace BAe 146 feeder-liner under development, although this is likely to encounter competition from both the Super F-28, and perhaps also from four-engined turbo-propeller feeder-liners like the new Canadian de Havilland Dash Seven, which is steedily carving a niche for itself in world markets.

One feature of the emerging market is a renewed interest in many parts of the world in propeller-driven airliners, not only for fuel economy but also despite t noise reasons. This is enabling involved. manufacturers like Fokker to

many years.

with airframes, so with engines. High costs are precluding more than a handful of new fleets through the 1980s Semes developments, and here also the and Whitney, both of the U.S. —concentrating on developing "families" of engines from initial basic concepts such as the RB-211, the CF6 and JT9-D

series. There are some exceptions, such as the new RB 432 of about 18,000 pounds thrust from Rolls-Royce, and the CFM-56 of 24,000 pounds thrust from the Franco-American (Sneema-General Electric) company, CFM-International.

Fierce

With markets of such magnitude waiting to be won, and a limited number of contenders, the battles for business are proving fierce. For the reequipment tide that is beginning to flow is likely to be the last for 20 years or more, before the mid to late 1990s. Whoever fails to get a share of the mar-kets now opening will be releinternational airframe and aemengine busines for the rest of

For the re-equipment tide is likely to be short and sharp— the bulk of the orders for the correspondingly long-term next generation of airliners is security of employment.

space is also doing steady business with its Type 748, both of which have been in service for by some of the big orders placed U.S. airlines last followed by a steady to be small-for five to bin sent a commitment by the cir-line concerned to that specifi type of airliner. An order for five airliners now means perhaps 20 or even 30 or merin the fleet by 1990, depending upon traffic growth. Thus, the battle is not so much to capture immediately massive contracts but to secure airline contiaitments to specific airframes and engines that will ensure steady business for 20 years or more.

One result of this activity throughout the world's civil aircraft and cavine industries is that a shortage of skilled labour is rapidly emerging. Boeing, with its 767 and 757 programmes expanding, bired 10,000 more workers last year. and will hire more in 1978, bringing its Scattle payroll to over 75,000. Aerospace com-panies in the U.S. have begun to look abroad for their labour. and the UK industry, as in the early 1960s, is finding itself under pressure from the U.S., gated to the backwoods of the where pay is higher, working conditions often more congenial, and where there is the likelithis century. There can be no hood of programmes continuing question of an airframe or through long production runs engine builder waiting too long before simpling into the arena, despite the heavy investments industry, and of the developing Airbus Industrie consortium in

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in Europe is now Airbus Industrie, the international consortium created specially to build the 250-300 seat twinengined A-300 Airbus, and which is now also developing the smaller 200-seat A-310 version. Airbus Industrie is a Groupement d'Interet Economique," or a pooling of common economic interests under French law. Its participants include Aérospatiale of France, Deutsche Airbus from West Germany (which in turn includes Messerschmitt-Bolkow-VFW-Fokker), Fokker-VFW of Holland, CASA of Spain and British Aerospace of the UK, with the latter building the wings for the A-300 and also now to be responsible for

the wings for the new A-310. Airbus Industrie has experienced a remarkable success with the A-300 (which is powered by U.S. General Elec-tric CF6-50 series engines), with total sales of 140 aircraft to 22 airlines, with options on another 53 aircraft. Of these, 59 aircraft had been delivered by end January. In addition, at that time there were also commitments, awaiting contract signa-ture, for 60 of the new A-310s, from Lufthansa, Air France. Iberia, Swissair and Eastern Air Lines of the U.S.

Last year was particularly successful for Airbus Industrie.

with new orders for 70 aircraft and 27 on option—with total business worth about £1.5bn. The organisation hopes for a similar volume of new business

in the coming year.
It bases this belief on forecasts that over the next 15 years. to the early 1990s, world air passenger traffic is likely to triple in volume, with a bigger share being taken by the countries of the Third World. This in turn will generate a demand for about 4,350 short-to-medium range jet airliners, worth about £45bn, of which about 70 per programme as an "associate" cent will be needed to meet traffic growth, and the rest to replace ageing existing equip-

Airbus Industrie further esti-

OUTSIDE BRITISH Aerospace similar number of 200-scaters throughout last year, on itself, one of the biggest single also being needed. Of this whether or not to join Boeing manufacturers of civil airliners demand, about half is likely to in developing that company's be generated outside North 757 airliner, it was decided to

Airbus Industrie's own ambi-

tion is to win at least one-third of this market, in competition with U.S. manufacturers, or between 800 and 1,000 aircraft. tion in the consortium is now: It believes this target to be Aérospatiale 37.9 per cent. realistic, because its existing 20 customer airlines alone will have British Aerospace 20 per cent, a total requirement for 350 A 300s by the early 1990s, and the organisation expects to be able substantially to broaden its customer base in the years immediately ahead. In addition, the five airlines which currently hold commitments on the 60 A-310s are likely between them to need at least the same number again, so that on the present customer hase plone. Airbus Industrie can foresee a demand for at least 450 A-300s and A-310s through the 1980s.

Expanding

To meet rising demand. Airbus Industrie is expanding its rate of production from two aircraft a month at present to three a month by the end of 1979, and further to four a month by the end of 1980. Beyond that, depending upon demand, it could raise production further to between eight and ten aircraft a month by

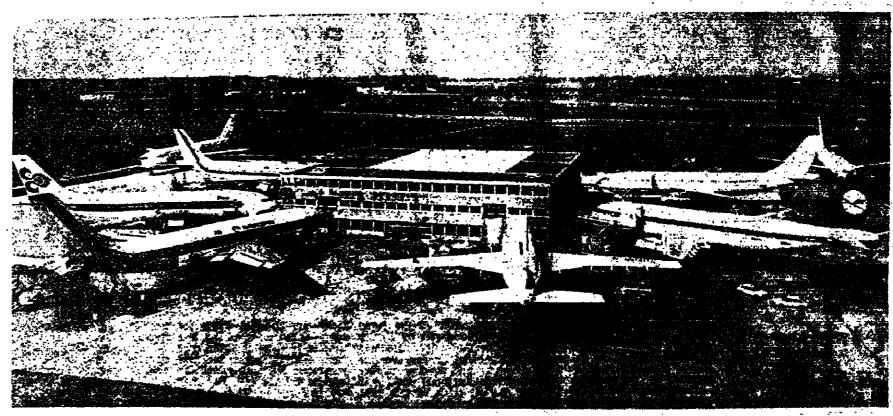
the UK Government to re-enter While Britain was originally a member of the group, formal UK Government participation the Airbus was not likely to the spring of 1980. be a commercial success. It was left to Hawker Siddeley Aviation (now part of British Aerospace) to stay in the A-300 a private-venture basis. craft. But the growing success of the Airbus, coupled with the clear indications of an upsurge

seek readmission to Airous Industrie, to help develop the new A-310 wings, while contiquing to work on the A-300 wings. The division of participa-Deutsche Airbus 37.9 per cent, and CASA of Spain 4.2 per cent. with Fokker-VFW of Holland

continuing as an associate. So far, Airbus Industrie has spent about £500m on the development, tooling and initial production of the A-300. It esti-mates that the investment by the French and West German governments in that aircraft will have been reimbursed when 360 aircraft have been sold. For the A-310, the estimated development cost is about £400m, and the consortium will need to sell at least 300 of this version to recoup those costs. On present sales performance, the group is confident it can reach these figures, particularly since it believes that the biggest surge in equipment buying by the world's airlines has yet to be seen

The basic Airbus Industrie product-line of "new-generation" airliners comprises five versions of the A-300-the B2-100 which is the basic shorthaul version now in service: the B2-200 special "hot and high" Airbus Industric sets particuairfield version, also now in lar emphasis on the decision by service; the B4-100 which is the airfield version, also now in basic medium-haul version, also the consortium with a 20 per now in service: the B4200 cent stake from last January 1. transcontinental model with a range of 3,100 nautical miles. which is due into service this spring; and the C1, a derivative was withdrawn in the late 1960s, of the B4 with an upper-deck in the belief at that time that cargo door, due into service in In addition, the new A-310 is

being offered in two versionsthe Series 100, which it is claimed will be the lowest-cost wide-bodied jet airliner for short-haul operations, and the building the wings for that air- Series 200, which is the medium-range version, intended to enter service in the the JET programme is already to flow. spring of 1983.



A-300 Airbuses in the final fitting out area (called the "Abreuvoir," or cattle trough) at Airbus Industrie's Toulouse, France, factory, where Airbuses are assembled from parts shipped from all over Western Europe and the U.S.

and the Joint European Trans port (JET) programme for an airliner seating variously between 130 and 160 seats. So far, no decisions on either of these programmes have been taken. Airbus Industrie is still studying trends in the world market, and it not yet convinced that it is time to spend valuable resources on aircraft for which the potential is still unclear. But it believes that by the end of this year, the trends will have clarified, and only then will it take decisions to launch one or another of these programmes, or perhaps even both.

B-11 which would be a four-commit the several hundred to commit funds to a specific to become the successor for the 130 passengers over distances of engined, long-range aircraft, millions of pounds that would design. millions of pounds that would be needed to launch the JET venture into production. Many people throughout the world's aerospace and airline industries, including some in Airbus Industrie, are convinced that a market will emerge for new aircraft seating less than 160 seats, perhaps split into two types of aircraft, one seating between 100 and 130 seats and the other between 130 and 160. Boeing, for example, is so convinced that, even while concentrating on its new 757 and 767 airliners, it has set up a study group to look at the possible future developments of its This does not imply that existing short-to-medium hani Airbus Industrie is not continu- narrow-bodied best-sellers, the ing design work on either of 737 and 727, so as not to miss these possible ventures. Indeed, the market tide when it begins

Airbus Industrie, one of the most extensively through its work on the JET mates that by the early 1980s, in world demand for new air. Beyond these, Airbus Indus researched ventures in the to date, can argue that it is demand for aircraft of the A-300 liners, could not be ignored, trie has plans for other new world. But it is one thing to not ignoring the possibilities, type could reach 1,200, with a After much heart-searching types of aircraft, including the conduct studies and another to even though it is not yet ready

But it is clear that, if any JET venture becomes desirable, it is within the scope of Airbus Industrie to do it. It now seems certain that this organisation will become increasingly the "chosen instrument" of the French and West German Governments for the development of any major new civil airliners for the rest of this century, other than perhaps any second-generation supersonic airliner and ventures in the smaller category, such as 100-seaters and below. Airbus Industrie has now become one of the world's major manufacturers in its own right and its stature is growing at such a pace that it must now be regarded as the focus of European "big airliner" development.

Fokker of Holland, however. does not share Airbus Industrie's current reluctance 'to liner will be powered by two develop a new airliner in the smaller category, and it is now with the Rolls-Royce RB-432 well advanced with its plans for under consideration. what it calls its Super F-28. a 115-130 seater which is destined with its ability to carry up to increased if demand justified.

ship twin-jet airliner. It is intended to be on the market by 1985. The Super F-28 has reached the stage where Fokker. over the next few months, will be conducting market research. throughout the world, including a number of existing F-28 opera-tors, while it will also be seeking risk-sharing partners on the programme. Depending on the results of these activities, Fokker hopes to be able to reach programme definition final phase by the third quarter of this year, with a go-shead before the end of the year.

medium hauls, and for operations from airports with strin- 100 seats in sist is a large one gent noise regulations, short or semi-prepared runways, and months there have been signs of from airports with minimal renewed interest in These ground facilities. The new airgeneration" engines-

provide severe competition for any Joint European Transport (JET) programme emerging from Airbus Industrie in this category. The Super F-28 is also likely to meet competition from with visits to some 20 sirlines. Boeing, with the improved 737 short-haul twin-let, and also from the British Acrospace BAe 148 four-engined feeder-liner,

now under development Fokker also intends to con-tinue production into the 1980s of its existing smaller 4556 passenger twin-turbo-propolier airliner, the F-27 Friendship, of which it has now built more the end of the year. than 670 over the past 20 years.
The Super F-28 is designed making it one of the most sucfor high-frequency short-tocessiul siriliners of all time. The market for airliners of less than especially for twin-turbo-props for regional and "comm type operations. Fokker is still building the Friendship at a rate It is clear that the Super F-28, of two a month, which could be



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Soviet strength still a mystery

always been self-sufficient in although regular civil airliner design, development and production. Since the attempts to sell the Soviet Union Western-built airliners, these bave not been successful. The same applies to engines. While the Soviet Union itself not so long ago began to show considerable interest in the latest generation of "big thrust" jet engines, such as the Rolls-Royce RB-211 and U.S.-built power-land at about the time that generation of "big thrust" jet engines, such as the Rolls-Royce RB-211 and U.S.-built power-plants, at about the time that Soviet interest in big, wide-bodied airliners also began to grow, no sales have been achieved, probably as much for political as for technical

But that the Soviet Union has a big civil airliner manu-facturing capability is self-Aeroflot, the Stateowned airline, last year is estimated to have carried well over 100m passengers through-out the Soviet Union and inter-nationally, and in the past 30 years or so the big "design bureaux" with famous names such as Antonov, llyushin, Tunoley, and Valoview have Tupoley and Yakovley have maintained a steady stream of transports, some of them clearly with military as well as civil tasks in mind, but some of them also clearly resulting in long "production runs," such as the Tupolev TU-134 short to mediumrange transport, the TU-154 medium-to-long range trijet, and the four-engined Hyushin IL-62

The Soviet Union has also moved into supersonic civil aviation, with the four-engined

that total output over the past years, such as the Mil Mi-10 20 years or so of jet airliners Flying Crane demonstrated as alone runs to many hundreds far back as the 1961 Soviet Aviaof aircraft, and that production tion Day display at Tushino. plans for the 1980s must be Moscow, and the more recent geared to maintaining, and even giant V-12 transport belicopter. increasing, this to meet the The most significant new expanding requirements of civil transport aircraft for the Soviet internal air transport.

to an attempt to make the aircraft do what it was not designed to do than to any

in late 1977 between Moscow end of the Second World War, and Alma-Ata (earlier flights while there have been various had been with freight and mail), these were halted in mid-1978, and do not appear to have been restarted. There same applies to engines. While have been almost no reliable scheduled services in January,

1976 and which has maintained and expanded its operations steadily since then.

Quality

But although the TU-144 itself may have run into technical problems, there can now be no doubt whatsoever about the overall high quality of Soviet aerospace engineering. Any industry that can produce military aircraft such as the MiG-25 Foxbat orbit manned space-capsule around the earth and conduct successful unmanned long-distance inter-planetary probes, as well as produce airliners in quantity such as Tu-134s and Tu-154s must be of just as formidable capability as that of the U.S. There is no doubt, from a close study of civil aircraft sent to the Paris International Air

Shows at Le Bourget over the past decade or more (one of the major methods available to the West of assessing just what progress is being made in the aviation, with the four-engined progress is being made in the TU-144 airliner, nicknamed "Concordski" by some for its broad similarities with the Concorde design.

Precise statistics of Soviet union is also not afraid published in the West. But on the basic of the sheer size of Aerofiot itself, it seems likely that total output over the past.

1980s now under development The TU-144 supersonic air in the Soviet Union is the fourliner appears to have suffered engined flyushin IL-86 wide-what appear to be considerable bodied, short-to-medium range technical problems, although airbus, which, when it enters the crash of one of the service later this year, is prototype aircraft at the Paris Air Show in 1973 was due more up to 350 passengers over met that airline's immediate

UNION has design. But it is a fact that of the McDonnell-Dosglas DC-10 A-300 Airbus.

The IL-86 has been development since 1970s, and reports from the Soviet Union suggest that it is intended to enter service with Aeroflot some time later this year, and certainly in time to carry visitors to and from the Soviet Union for the 1980 Olympic Games in Moscow. There are three prototypes,

of which the first, CCCP-\$6000, made its maiden flight in late 1976. The aim since then has been to complete at least 1,200 deliveries for airlines service are begun. The first production IL-86, CCCP-86002, which is also reported to be the third proto-type, fiew in October, 1977. The prototype aircraft was first shown to the West at the Paris Air Show of 1977, when it was seen to be of broadly conventional design, with the four Kuznetsov NK-88 jet engines (each of about 28,660 lbs thrust) (each of about 28,660 lbs thrust) slung on pylons under the wings, like the Boeing 707 and 747. This represented a change from the original preliminary design of the aircraft, which when shown in model form in Moscow in 1972 had its engines mounted at the rear of the fuselage, like the earlier IL-62 four-engined let. four-engined jet

Reports have suggested that one of the new ideas in the IL-86 is that the passengers should be able to carry at least light baggage aboard for stowage in the lower fuselage deck, before climbing up to the main passenger deck.

No indications have been given of the total volume of production of the IL-86, but it seems likely that not less than 100 will be required by an airline as large as Aeroflot, and maybe eventually many more will be built. The IL-86 is clearly intended to become the work horse of the Aeroflot trunk routes, and its range appears to be adequate to cover a sub-stantial part of Aerodot's network non-stop. It has been suggested that the IL-86 may also be used by the Soviet Air Force as a troop transport.

So far, no export sales efforts appear to have been made outside the Soviet bloc for the aircraft, but it seems likely that once the IL-88 has entered service with Aerollot and has distances of about 2,500 nautical needs, efforts will be made to miles. This makes it broadly sell it to the atribnes of the equivalent to the basic versions. Soviet satellife countries. So



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Ambitious U.S. programmes

THE UNDOUBTED pacemaker in the development of the new generation of jet airliners is Bosing of the U.S. Already the biggest single manufacturer of jets in the world, Boeing during 1978 won firm orders for no less than 479 aircraft making that year the best yet for the company. All the signs are that the coming year will be just as good, with a continued heavy ndlow of orders for its exist-ing range of 747 Jumbo jets, 727 three-engined medium-range jets and 737 twin-engined short-haul airliners, and hopefully also a substantial build-up of customers for the two new airliners on offer, the 757 narrow-body twin-engined airliner, intended to carry up to about 200 passengers over distances of 2,300 miles, and the bigger "semi-wide-body" twin-engined 767, also designed for payloads of between 200 and 252 pasengers over distances of 2,500-3,000 miles.

Although both these new airliners were announced only last year. Boeing has won orders for 84 of the 767s (United 30, Pacific Western 4) with options on another 81 aircraft from those four airlines and another customer, Interlease. Boeing has also won orders for 40 757s, including 19 from British Airways and 21 from Eastern of the U.S.

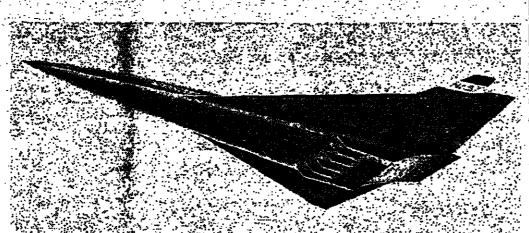
Customer

Features of both the new airliners are their international contents. Boeing is offering the 767 with a choice of engines from all three major enginebuilders, Rolls-Royce, Pratt and Whitney and General Electric. So far. both Pratt and Whitney and GE have won orders from 767 customers, but Rolls-Royce is still fighting hard.

thought likely to buy the 767 are Air Canada, KLM of Holland and Northwest Airlines of the U.S. Air Canada, already that it could be straying into the a major user of Rolls-Royce existing Lockheed and Mc-RB-211 engines in its fleet of Donnell Douglas trijct markets

stronger position, for another version of its RB-211 engine, the Dash 535, has been selected as the "lead engine" for the air craft for both British Airways and Eastern Air Lines Frontham and Eastern Air Lines, Further contracts for the 757 with the Dash 535 are in negotiation.

Boeing has also signed agreements with two foreign companies to help develop the 767 —with the Civil Transport Development Corporation of consortium Japanese aircraft manufacturers and component suppliers) and Aeritalia of Italy. The CTDC will build body panels and The CIDC doors, wing-to-body fairing assemblies and main landingcompanies already produce as possible special versions of parts for other Boeing airliners. Aeritalia will build portions of both the 727 and 737 remain 1978,



The shape of the future? Early design work for an airliner burning liquid hydrogen fuel instead of kerosene obtained from oil, is being done by Lockheed of the U.S. The aircraft, of which an artist's impression is shown here, would be able to carry 200 passengers from London to New York in under two hours with a cruising speed of 4,000 mph. Construction, however, is not yet proposed.

the 767-wing and tail. Many U.S. fully competitive throughout orders for 43 wide-bodied companies will build other parts of the new airliner. fully competitive throughout orders for 43 wide-bodied the 1980s with whatever new air DC-10s, compared with 29 in craft emerge from competitors 1977, and at the end of the

Boeing's ambition is to win orders for more than 1,000 air-craft of each type, securing production through into the early 1990s. First flight of the 767 is planned for the summer of 1981, with deliveries in mid-1982. The 757 files late in 1981, or early 1982, with deliveries in early 1983. Boeing's investment on the 767 is estimated to amount to about £750m, and that on the 757 to about £500m largely because some parts of the 757, including parts of the fuselage, will be derived from the existing 727, while the 767 will be all new. As with all Boeing aircraft,

the eventual aim is to produce a "family" of jets. Potential future models include a threeengined aircraft, called the 777, which would have both mediumrange and eventually long-range, while another variant could be a smaller, twin-engined model for very short-ranges. In both instances. Boeing recognises RB-211 engines in its fleet of Lockheed TriStars, can be considered a likely customer, for the same engine in any 767s it short-range jets. But the fact 10 years, between 88bn and may buy.

For the 757, however, Rolls-Royce appears to be in a much stronger restition for another.

This is also evidenced by the fact that, while it is concentrating on its two new-generation jets, Boeing is also planning improvements in its existing product range. With 445 Jumbo jets already sold, of which 352 have been delivered, the company is actively seeking new orders, and is also planning new versions of the aircraft that through the 1980s could improve its range and payload performance, perhaps eventually tak-ing it up to 750 or even 1,000

year, the company had firm orders for 318 DC-10s, and conscater Fokker Super F-28, which would be competitive with the ditional orders and options for 737, and any Joint European 47 more, bringing the overall total to 365 aircraft, of which a 130/160-seater airliner which 263 had been delivered. Firm would be competitive with the orders for 66 DC-9s were 727. Headed by Mark Gregoire, received last year, bringing formerly head of 727 marketing total orders by end-1978 to 992, management, the new group will which with conditional orders concentrate on ensuring that the 727 and 737 keep pace with developments elsewhere in the and options for 33 others raised total orders to 1,025 aircraft, of which 893 had been delivered. The current emphasis in the 100/150-seater class of aero-planes, and at the same time try to put the 727 and 737 ahead if possible. Mr. Gregoire says his group will look at possible engine changes, major wing changes, body stretches and the

company is to extend the DC-10 family of airliners, by "stretching" the fuselage to enable more passengers to be carried. Two one of 26.7 feet, which would raise the payload from the advanced aerodynamics and structures going into the 757 and 767 ventures "to see if their present 275 to 353 passengers and the other of 40 feet, which use on current products could be cost-effective." Boeing is would raise the payload to 393 passengers. The company has be cost-effective." Boeing is also studying the possibility of re-engining the 707 (940 sold) with the Franco-American CFM-56, and will test-fly the been discussing these plans with airlines for some months, and responses have been good. But the company has been holding off, to make sure it has McDonnell Douglas, according a go-shead. It hopes to make opresident and chief executive up its mind by the spring.

The other major area of interest for McDonnell Douglas at this time is in the DC-9 twinengined airliner, where for some months it has been offering the stretched "Super 80," now under development 1978, nine airline customers had placed orders for 50 Super The company is basing its

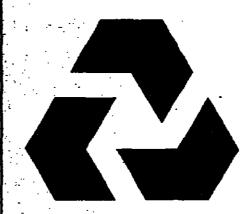
long-term plans on two major models—the existing DC-10 tri-jet medium-to-long-range Competitive

families, there is the possibility of developing the ATMR 140-160 seat aircraft, perhaps in col-laboration with the European Airbus Industrie consortium, or with British Aerospace inde pendently.

abandoned its DC-X-200 and dropped out of the battle for the 200-seater market, which it with such aircraft as the Boeine 767 and Airbus Industrie A-310 already deeply committed McDonnell Douglas sees a his market emerging in the 140-160 seater area, for an airliner with improved technology in both airframes and power-plants. While little has been heard of the ATMR in recent months, it would be wrong to assume that it is dead, and much more may be heard of it during the re-

What does seem clear at this stage is that, with heavy mancial commitments on the stretched DC-10 and on the Super 80 DC-9. McDonnell Douglas is not likely to commit itself to developing any ATMR-type aircraft on its own. It would prefer to collaborate with a foreign manufacturer, and its preference is for Europe, although Japan is not ruled out. The third of the big U.S. jet airliner builders, Lockheed is

concentrating on its TriStar three-engined aircraft, using Rolls-Royce RB-211 engines, with total sales of 264 (196 firm orders and 71 options). philosophy is that instead of devising new and expensive models, a substantial market can be won by continually in-corporating improvements in technology. The TriStar is available in a number of variants of which perhaps one of the most significant is the Dash 500 extended-range version, capable of carrying between 246 and 300 passengers over distances of more than 6,000 miles non-stop, using the most powerful version of the RB-211 engine the Dash 524.
One of the "advanced technology" developments that is
being incorporated on the Dash 500 TriStar is the flight-manage ment system that will so help to programme flights that the airlines using the Dash 500 (including British Airways) will save a lot of money. This



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engine this year.

decade as a whole.

aircraft, and the DC-9 twinengined short-to-medium range airliner, with derivatives of both to expand the family of jets on offer, while it is also still considering the possibility of a new airliner, the Advanced Technology Medium Range transport, the ATMR, to fill the gap in the broad 140-160 seat

The emphasis, however, the DC9 and DC-10 families assemblies and main landing-zear doors for the 767, with Mitsubishi Heavy Industries, Kawasaki Heavy Industries and Fuji Heavy Industries all involved under sub-contracts from the CTDC. These three out through to mid-1981, with them. The aim is to ensure that orders still flowing in. During both the 727 and 737 remain 1978, the company received

Beyond these two aircraft

The point here is that, having

mainder of 1979.

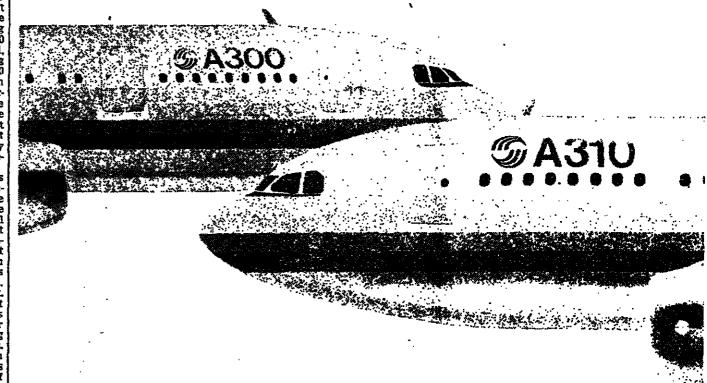
dimensionally unchanged, has a system, which uses an on-board greater maximum weight, to en- computer to control every detail able up to 195 passengers to be of a flight from take-off to carried over long distances. Well touch-down, including perform over 125 IL-62s of various ver- ing the navigational tasks, will has been a marked lack of sions are reported to have been save as much as 3 per cent on willingness on the part of Soviet built, and the aircraft is in ser-fuel on a typical Londonsenger aircraft. The in-service date is said to be 1979.

The Yak-42 will probably become one of the most widely

with and the aircraft is in serfuel on a typical London-aerospace officials to give away information about their air-also the airlines of Czechoslo-gallous or over £200. Thus, also the airlines of Czechoslo-gallous or over £200. Thus, only in Western observers being become one of the most widely

with and the aircraft is in serfuel on a typical London-aircraft. The in-service date is said to be 1979.

This has resulted not already vice not only with Aeroflot, but Bahrain flight, or some 680 also the airlines of Czechoslo-gallous or over £200. Thus, only in Western observers being become one of the most widely



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SAirbus Industrie

Soviet mystery

CONTINUED FROM PREVIOUS PAGE

far as Western countries are used animes in the concerned, the competition from fleet. Up to 2,000 aircraft of this on the part of airlines who can the existing major manufacturers. Althus Industrie, Soviet Union, to replace ageing tion on rival Western products the existing major manufac-turers. Airbus Industrie, Boeing, Lockheed and McDonnell Douglas, must be regarded as such that the Soviet Union will have an almost liner and local-service routes for impossible task in trying to win orders for the IL-86. many years. The basic design objectives of the Yak-42 have

likely to be heard during the operation, and ruggedness for 1930s is the Yakovlev Yak-2, 2 three-engined aircraft (Lotarev physical and climatic conditions. D-36s, each of 14,200 lbs. thrust). mounted at the rear of the fuselage. The aircraft is intended an adequate guarantee of spare to carry between 100 and 120 provisioning and long-term passengers over distances of up to 1,000 nautical miles, which to 1,000 nautical miles, which competitor to feeders-liners makes it essentially a short currently under development, range aircraft. But a feature of such as the British Aerospace the design, is its ability, with BAe 146 or the Fokker Super short take-off and landing, to F-28. use rugged and unprepared air-fields and grass airstrips, serving remote communities throughout the Eastern and Northern areas of the Soviet Union, so that it is essentially a "feeder-liner" as well as a local-service "community-linker" in its own

three versions of the aircraft reason seems to be that the will are planned — a 100-seater for salesmanship is lacking with carry-on luggage facilities Aircraft on display at Show for local-service routes, a 120-after Show have been firmly for local-service routes, a 120seater with baggage holds for fenced off and locked against minor trunk lines, and a convertible version that can be used

Soviet Union, to replace ageing piston-engined and turbo-propeller equipment which has objectives of the Yak-12 have The other new transport air-craft of which much more is reliability and economy in operations in a wide variety of

> If offered for sale to the West at a reasonable price, and with maintenance, it could become a

Efforts But the Soviet efforts to sell airliners to the West in the past have never been very successful despite the fact that the Soviet Union has taken a number of its latest civil aircraft to every It is reported that at least Paris Air Show for years. The prying Western eyes and there has been a marked lack of

far as Western countries are used airlines in the Aeroflot need, but also a lack of interest with no problems whatsoever. It remains to be seen what

the Soviet Union will bring to this year's Paris Air Show at Le Bourget in June. But if there is any serious intention on the part of the Soviet Union to sell its new airliners to the West through the 1980s, it will have to make major efforts soon, for the competition is formidable, and growing:

In the meantime, the Soviet Union's long-distance airliner operations are being conducted by the Hyushin IL-62 four-engined airliner, of which various versions have been introduced since the aircraft first entered service with Aeroflot in 1967. Like Britain's VC-10 airliner, the IL-62 has its four engines mounted in pairs on either side of the rear fuselage. A developed version of the airliner, the Model M. with higherthrust engines and a long-range fuel tank in the tail-fin, appeared at the Paris Air Show in 1971, and last year another variant was announced. the Model MK. This, although

UK faces a testing year

THE COMING year will be vital other 100 in a military version, for the civil aircraft side of The aircraft is being built British Aerospace (BAe), the initially in two versions, the nationalised UK aircraft manufacturer. During it the corporation the larger 146-200, seating tion will be getting under way designed to fill the gaps created by the rundown and completion of earlier programmes (such as Tridents and Concordes), and to secure its future in the expanding world markets of the building the rear fuselage.

These ventures cover a wide sector of the range-payload spectrum. They include not only the wings for the wide-bodied A-300 Airbus and now also its smaller 200-seat partner, the A-310, but also work on the new BAe 146 four-engined feeder-liner, possibly a new version of the One-Eleven twin-engined airliner, in a bid to keep this aircraft in production through the 1980s against intensifying competition from other shorthaul twin-engined airliners; a new version of the smaller twinturbo-prop Jetstream light transport; and continued evolution of the 748 twin-turbo-prop

So far as the A-300 and A-310 are concerned, UK participation on wing design, development and production is expected to involve at least £250m through the 1980s, with an initial pay-ment of £50m. The formal UK Government re-entry from January 1 into the European Airbus Industrie consortium also opens the way for participation in other new developments, such as the so-called Joint European Transport (JET) programme for airliners of below 160 seats. So far, no precise ventures in this latter broad area have been defined, but studies have been and are still being undertaken.

It is hoped that before the European programme will begin to emerge. An integral part of these studies is into the availability of engines. The possibilities include the proposed settle details of the licence Rolls-Royce RB-432 and the Franco-U.S. Snecma-General Electric CFM-56.

Critical

The coming months will be particularly critical for the BAe 146, a programme originally begun in 1974 but halted because of deteriorating world economic conditions, and only UK will then supply to of governments. It is also revived last year. While considerable interest has been shown, British Aerospace will authorisation has been given to enter service much before need firm evidence that it is by BAe in the UK for the manuthe mid to late 1990s, and even likely to sell, so as to justify facture of another eight air- that would require a start

ever, at a market that BAe world-wide.

83-109 passengers. First flight is planned for late 1980, with first deliveries in 1982. jet engines will be supplied by development or producti Aveo group of the U.S., which envisaged for the future.

year. Already U.S. operators are showing interest in this twin turbo-prop aircraft as a potential "commuter-liner," and it is understood that several options have been taken out by three operators. The first prototype is due to fly late this year, with first deliveries in 1981. The aircraft is being launched at a time when commuter airliner business in the U.S. is booming with scheduled traffic in this field up 17.4 per cent last year."

The twin turbo-prop Type 748 airliner is also benefiting from this reviving interest in smaller, quieter, fuel-efficient airliners. During 1978 British Aerospace won new orders for 16 of these aircraft, bringing total sales to 339—of which 85 per cent have been for export the 1980s. It is possible that training, paratroop dropping and martime reconnaissance

Agreements

One of the biggest programmes at British Aerospace has been the One-Eleven twinengined jet airliner, of which to date 227 have been sold, end of 1979 market require worth about £390m. The ments will have clarified, and a corporation is now closely studying plans for continued development into the 1980s. British Aerospace teams have

been in Romania recently to settle details of the licence agreements These envisage a phased programme of manufacture and assembly in Romania of complete One-Eleven aircraft (both in the Series 500 seating up to 119, and the Series 475 seating up to 89). covering about 80 any such development, to have any chance of success, would craft will be assembled at the Hurn factors of BAe, and the with the full financial support

believes will yield sales by 1990 developments of the aircraft and Lockheed also maintaining of up to 250 aircraft, plus an may emerge in the near future, an interest, but no one believes

This is essential if the One-The aircraft is being built Eleven is to continue to cominitially in two versions, the pete not only with existing twinengined types such as the Boeing 737, the McDonnell Douglas DC-9 and the Fokker F-28, but also derivatives of those aircraft now either in development or production, or

Business and executive jet is also building wings, while Business and executive jet Saab of Sweden, is also involved aircraft are outside the main scope of this survey, but British The new Jetstream 3T light Aerospace is putting consider transport was lannched late last able emphasis on continued sucvers. cess with its Type 125 executive aircraft, of which 425 have been sold to 29 countries, including 244 in North America. A new version, the Series 800, is being studied, perhaps with the new Rolls-Royce RB-401 engine, designed specifically for a new generation of business jets.

Contribution

The Series 800 would have a new "advanced-technology" wing, and probably also a re-designed fuselage, to seat up to 10 passengers in an executive model and up to 19 in a high-density version. It would have a greater range, over 3,000 nautical miles.

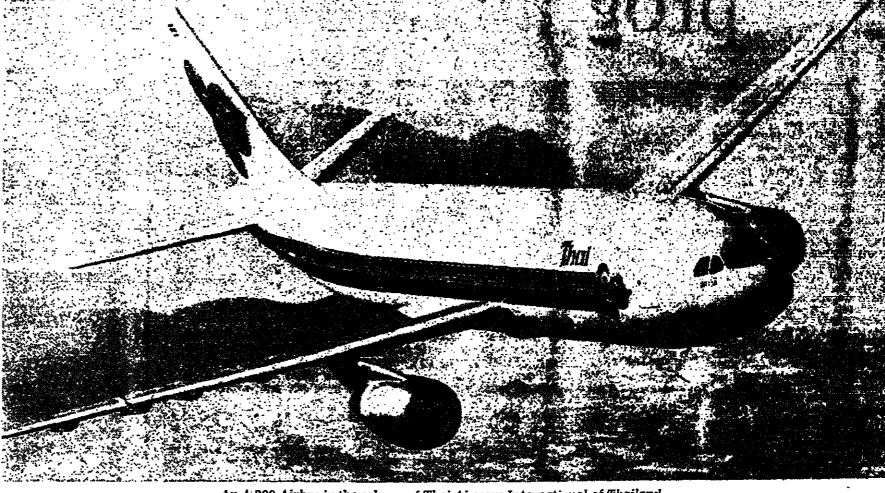
Collectively, all these venper cent have been for export—tures represent British Aero-and production is scheduled to space's contribution to the continue at a steady rate into world's civil markets for the immediate future. Other new the French Navy may buy up ventures may emerge, such as to 12 aircraft for navigation the JET, but if all the activities currently envisaged prove successful, British Aerospace will have a substantial workload throughout the 1980s. It is already seeking more skilled labour to meet what it foresees as a major expansion in its civil

production capacity.

There remains the question of supersonic airliners. All 16 production Concordes originally authorised will have been built by the end of this year, and the ogramme has been run down so far that it is unlikely that there will be any more of this generation of aircraft, even if new orders were to emerge for Concordes beyond the five still awaiting sale.

So far there has been no enthusiasm outside the aero-space industries of Britain. France and the U.S. for any second-generation supersonic airliner, and even inside those industries it is recognised that

and - further for some time, with both Boeing



An A-300 Airbus in the colours of Thai Airways International of Thailand

designated the 330, this is a twin turbo-prop aircraft, with a wide-bodied fuselage, designed recluirements of the new subspicient of the most promising of the new UK generation of air
technically with meeting the a wide-bodied fuselage, designed requirements of the new subspicient of the new subspicient of the new subspicient of the new UK generation of air
the new UK generation of the 330 through

liners is a small 30-seat "com- to seven airlines, bringing total the 1980s and beyond. Exploit-

that any significant development muter aircraft, from State sales to 34, with two more air ing the potential of the 330 is major sub-contractor, for is likely to emerge in the near owned Short Brothers and craft on option. The 330 is one of the major objectives of example, to Lockheed on the future, if only because all the Harland of Belfast, Officially already in service with airlines the company's five-year plan TriStar programme and to manufacturers will be too designated the 330, this is a in the U.S. Canada, Europe, the recently approved by the U.S. Booing on the 747, while it also preoccupied financially and twin turbo-prop aircraft, with Caribbean and Hawaii.

Government, resulting in a "pods" the Rolls-Royce RB-311 new State investment of £60m in the company up to 1982.

Shorts will also have a significant role in the manufacture of new generation jets for ordered by British Airways and

engines for both those aircraft, and has won the contract to pod

Equipment manufacturers race against time

facture of another eight air that would require a start the long-term investment in the long-term investment in the venture of as much as £250m. No orders have emerged so far.

No orders have emerged so far.

IT IS estimated that of the successful airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight airframe or engine down as companies strive to gear assemblies, to Honeywell's contracts cover up to wood another eight another lands are frequently longer than at win contracts for their equip Avionics Division for the systems contracts of the systems one-third, or between £15bn for and £26bn, is likely to be spent significantly greater. directly on equipment, compoinclude such items as tyres, wheels, brakes, hydraulic and risk investment involved much electrical systems, galleys, furnishings, and all the specialist "avionics" — airborne tronics - without which the modern airliner cannot fly. The latter category alone has assumed increasing importance in recent years, as the constant prepared to spend substantial

search for greater flight efficiency as costs have risen, and for ever greater safety in all weathers under all climatic conditions, has resulted in substantially more complex navigation control systems and landing aids, frequently involving on-board computers.

In addition to this direct share of the outlays taken by the equipment and component manufacturers, the shares of the airframe and engine manufacturers (roughly about onethird each) of the total cost of any airliner is again sub-contracted out to specialist manufacturers in other industries such as metals, ceramics, glass, textiles, paints and so on so that eventually, probably as much as three-quarters of the cash that an airline spends on a new fleet of airliners eventually finds its way throughout a wide spectrum of modern industry, often to companies far removed from manufacturing.

Orders

It is impossible to assess the precise extent to which direct airliner orders thus contribute to the overall levels of any country's employment and economic activity, for the number of companies involved eventually runs into several thousands contributing to just one new type of airliner or engine alone. But this fact alone should be sufficient to convince the sceptics that money spent on aviation is not just confined to a narrow sector of the economy, but benefits virtually all of it, sooner or later, in one form or another.

The business of supplying equipment and components to principals "—the airframe and engine manufacturers—has undergone some substantial changes in recent years, and these continue. One change is that the business has become increasingly international. The number of new types of engine and airframe decreases with each new generation, as a result of rising costs and increasing the pyramid to get the basic size, but the potential produc-tion runs of any given type of specific airline, but all the way

success have

specifications have become much more demanding, and the greater. The result has been that equipment and component manufacturers have either had to become much more internationally minded to be able to bld for business several thousands of miles away, or sums in developing products in advance of any guarantees of

that the preliminary aircraft

Cheaper Another significant trend is

designer no longer settles his specification, chooses an engine and systems, and offers the lot to the airlines as a package on a fly-away take-it-or-leave it basis. That may still be the case with some of the smaller and cheaper new ventures. But for the modern, wide-bodied jets, costing upwards of \$30m apiece. the tendency is increasingly to allow the airline customer his own choice of what goes into the airframe he is buying. Thus, while a new air frame may have some basic systems common to every model, such as hyl ; conundercarriages, hydraulics and so on, many of the specialist items, from the engines through to the navigational systems, are left to the esutomer's choice, especially if the airline concerned is making a major purchase for many years to come. The extent to which this is done depends to a large extent upon how much the customer-airline is prepared to pay for departing from the basic design specification-and it can prove expensive being done, which is why most manufacturers nowadays, are offering the airlines a choice of up to three engines on the new wide-bodies, with virtual free dom to choose any specialist systems they like. Thus, the making of a modern strliner is no longer a comparatively simple two-way exchange between the airframe and engine makers and the airline, but frequently involves as many as half a dozen major international companies. providing airframes, engines electronics and other items with a host of other smaller companies also

involved. The inevitable corollary is that the whole business of airliner building and selling has become much more competitive, with some bitter struggles taking place not only at the peak of the pyramid to get the basic

of the basic systems that Boeing has been selecting for its new 767 and 757 airliners. of these contracts have awarded inside the U.S., but Boeing has made it clear that other companies world-wide are free to bid, and many UK companies are in the running. So far, among the major contracts awarded have been those to Cleveland Pneumatic Company for the main 767 landing gear, to Menasco for the nose landing

Systems for flight management systems, and Parker Hannifin/ actuators. The engine-thrust management system for both the 767 and 757 is going to Electric's Equipment though there will be different engines on the two aircraft. Power will supply the electric ments have been filled, they are power generation systems for likely to remain closed for a both the 767 and 757. All these very long time to come.

the years ahead,

But more significantly, these deals also indicate just how vitally important it is for any equipment, component or systems manufacturer to break into the field now, in 1978, while the contracts are on offer. As with the engine manufacturers. time is not necessarily on their Sundstrand Aviation Electric side, and once the major require-

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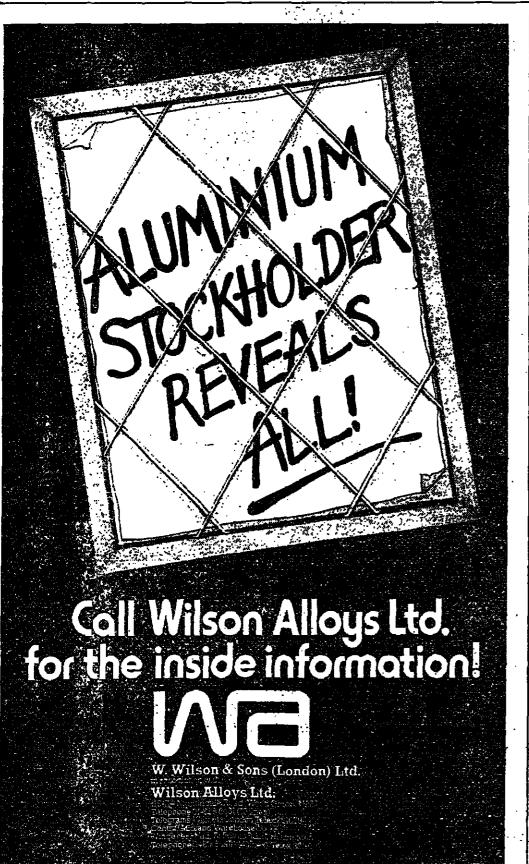
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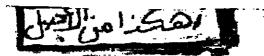
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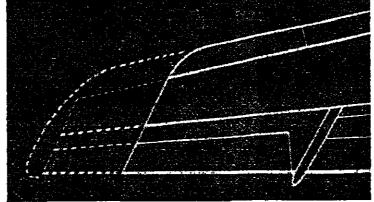
One way is to have longer wings that reduce drag and thus cut fuel use. And all jetliners of the future will surely follow that approach.

Extending an existing jetliner's wings, however, would involve costly and time-consuming structural redesign. Except in the case of the Lockheed L-1011 TriStar

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The Lockheed L-1011 TriStar.

Fierce battle for engine markets

ments of the overall aerospace the end of the century and be Royce turnover on the RB-211 is scene. The business is vast. youd. While it does not pretend now running at over £130m a Of the total world market for that it can win the lion's share year, and the programme pronew airliners of over £40bn of the market, it nonetheless vides employment for over The "big three" manufacturers, decade ahead. General Electric and Pratt and The emohas Whitney, both of the U.S., and continues to be primarily on Rolls-Royce, are all ready with development of the RB-211 new designs for the coming family in all variants. The RBgeneration of airliners, and their combined actual and to 55,000 lbs thrust, with capa-potential investments in those bility of going beyond that to ventures will amount to well 60,000 lbs, if aircraft emerge

business is its long-term nature. clude the Dash 22B of about It can take anything up to teu 40,000 lbs thrust upwards, and years before an engine company the Dash 524 of about 50,000 lbs sees any profitable returns on its investments, and as a result in versions of the Lockheed Trithe business not only requires Star, while the Dash 524 is also enormous commitments of used in the Boeing 747 Jumbo ment is not like
Another new variant is the have been won.

between launching a product which has been about the securing and securing human, physical and financial and securing any financial British Airways and Eastern Air rewards.

Technology

involved — anything up to £500m for any single new type -the number of new engine types is severely limited, and where possible all the major at Rolls-Royce's Aero Division at ment must await firm buyers. manufacturers focus their defforts on the evolutionary this year. Both Boeing and Rolls-But these Rolls-Royce engine this year. Both Boeing and Rollsimprovement of existing propulsion concepts, in terms of lower noise, fuel consumption and pollution, rather than seek dramatic but expensive new

breakthroughs in technology. Another feature of the engine scene is that the major airframe builders now offer each type of aircraft with a choice of engines. Thus, airlines can choose any one of the products from the "big three" for the particular range and payload performance desired, and some significant differences in choice are emerging. For example, the new Boeing 767 is being bought by United with Pratt and Whitney JT9D-7R engines, but both American and Delta are buying seater, and perhaps eventually it with General Electric CF6-80 engines. Rolls-Royce may still

The emphasis at Rolls-Royce 211 ranges from 30,000 lbs up thrust and upwards, both used

Lines of the U.S. for use in the new Boeing 757 twin-engined short-to-medium range airliner This is the first time that a new this year. Both Boeing and Rolls-Royce are hopeful of an eventual market for upwards of 1,000 aircraft in this field, involving over 3,000 engines including

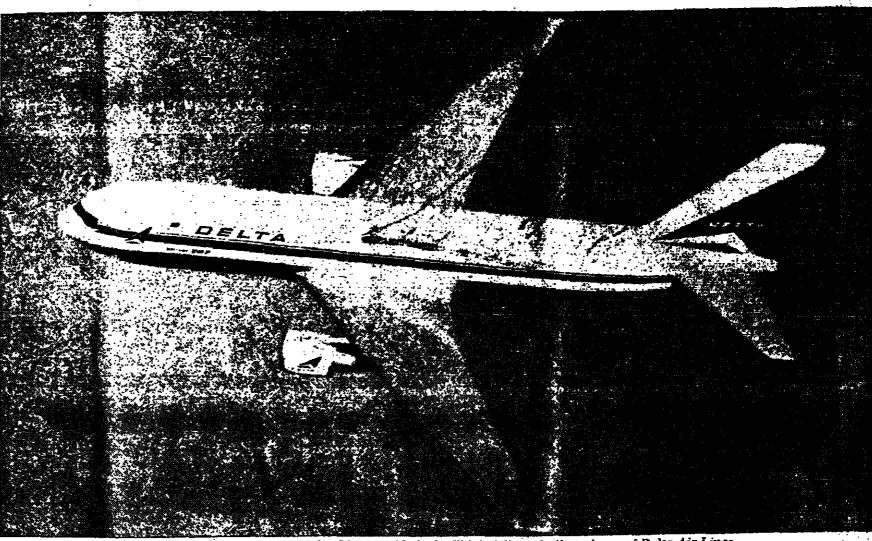
So far as the Dash 524 is concerned, the aim is now to push its power upwards beyond 50,000 lb thrust, towards 55,000 lb and possibly even beyond. This engine is aimed primarily at the Lockheed Dash 500 Tri-Star, and at the Boeing 747, with particular emphasis on later versions of that aircraft, with greater ranges and bigger payloads. Most airline executives believe that the 747 will eventually become a 500-600 a 1.000 seater, with a double-deck fuselage. In that case,

THE WORLD aero-engines civil aero-engine programmes engines, and the engine is the business is now one of the through the 1980s to secure its biggest of all current UK aero-most flercely competitive eleplace in the market through to space export programmes. Rollsthrough the 1980s, the engine aims to increase its share to 25,000 workers both at Rollsshare is likely to amount to at about one-third of the total, or Royce and in equipment and least one third, or around £15bn. some £5bn throughout the component suppliers throughout

Another major new engine under development by Rolls-Royce is the RB-432, in the 16,000-18,000 lb thrust class, aimed mainly at new types of short-haul twin-engined air-liners, such as the proposed Fokker Super F-28. Project requiring that kind of power definition has continued The feature of the engine Basic members of the family in-throughout the past year, and talks on collaboration with the Japanese are still under way. Joint UK-Japanese surveys have shown that a market for up to 1,200 RB-432 powered aircraft could emerge by the end of the 1980s, but full-scale development is not likely until orders

In the lower-thrust bracket is another new engine, the RB-401, Because of the heavy Boeing jet airliner programme new generation of business and research and development costs has been launched with a executive jets, where low fuel involved — anything up to foreign engine. The initial flight consumption and less noise are is planned for 1981, with entry as vital as in bigger airliners, into service in 1983. Work on Work continues. But, as with the RB-211-535 is well advanced the RB-432, full-scale develop-

> But these Rolls-Royce engine programmes leave a gap in the "thrust spectrum," between the 18,000 lbs of the new RB-432 and the 30,000 lbs of the RE-211-535, which Rolls-Royce has as yet no plans to fill. This gap is garantly occupied by a is currently occupied by a Franco-American engine, the CFM-56, and Rolls-Royce is well aware that this could mean giving away a part of the booming civil markets of the future. But it must accept this, because with all its existing programmes, it will have its hands full financially and technologically through the 1980s. As it is, the RB-211-535 alone is expected to cost about £250m, while the RB-432 and RB-401 together will probably cost about the same. If the continued development costs of the Dash 524 and Dash 23 versions of the RB-211 are also included,



The new Boeing 767 twin-engined "semi wide-bodied" jet airliner, in the colours of Delta Air Lines, which has ordered 20, with options on a further 22 aircraft

the past decade, with firm orders for over 190 of its CF6 series of engines for use in European A-300/A-310 Airbuses, DC-10 tri-jets, and Boeing 747 Jumbo jets. The total value of this business was well over

aircraft, up to the big CF6 series with thrusts up to 54,000 lbs—

of a new consortium, CFM- with the International, jointly owned by RB-432. GE offers a family of engines, GE and Specma of France. The Prait and Whitrey a division ranging from the CF-34 of about engine is aimed at a wide range of United Technologies, is the 8,000 lbs thrust for feeder-liner of civil and military transports, third member of the "big three." including airliners in with thrusts up to 54,000 lbs—

15-160 seat category. Possible the most widely used combined the latter being competitive outlets for it include any Joint mercial engine in the world, in more than 46 airlines world thrust range from 28,000 lbs to with the Rolls-Royce RB-211. European Transport venture such aircraft as Boeing 727s and wide on the Boeing 747 and the Currently, 59 airlines have that Airbus Industries may 737s and McDonnell Douglas McDonnell Douglas DC-10 Series competitor not only for the ordered or are operating the develop, the planned Fokker DC-9s. During 1978, over 570

40. The largest version of this France-U.S. Creat-36, but 1978. ordered or are operating the develop, the planned Fokker CF6 in various versions, and as Super F-28, and as a replace. JT8D engines were delivered, engine the 59A/70A in service at January 1, 322 wide-bodied ment for existing engines in bringing to more than 9,000 the gives over 53,000 lbs thrust. jet liners were flying with GE both the Boeing 707 and number of JT8Ds delivered to In addition to the 747 and engines. To date, including McDonnell Douglas DC8 four-over 150 operators world-wide. DC-10, the Airbus A-300 is being spares, over 1,300 CF6 series engined jets. The first engine, P and W is now working on a offered with this engine to propose have been built. Furner of 24 000 lbs is due for certific derivative, the TF3D-200 of give operators improved fuel

with the new Rolls-Royce

Its engines include the JT8D,

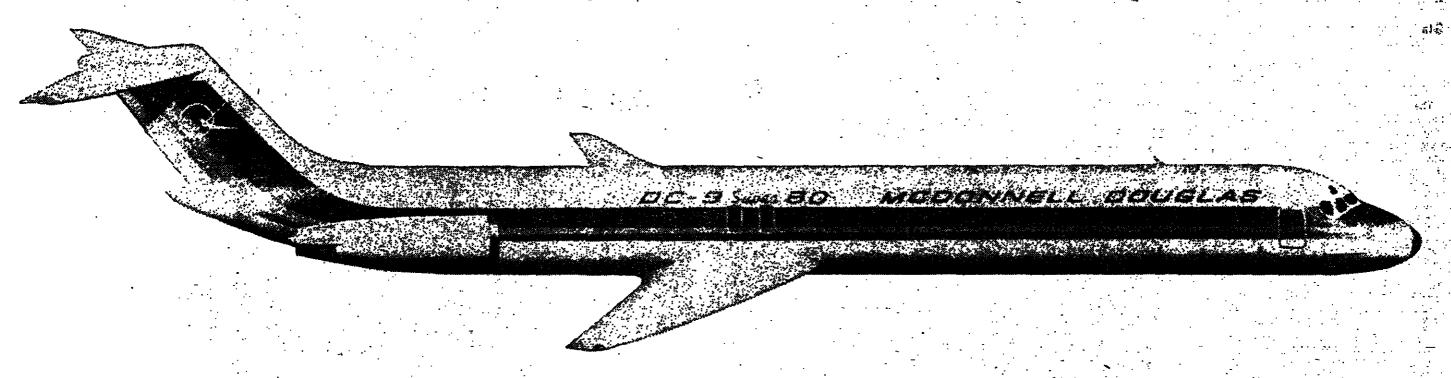
wide-bodied jets, and particularly of the Boeing 747.

GE is also associated with another major new engine, the CFM-56, in the 22,000-27,500 lb bracket, which is the product of 18,000 lbs thrust, is planned, possible application in other and this will be competitive proposed new commercial air nautical miles with 432. with the new Rolls-Royce craft while its performance, passengers, which is performance, passengers, resigns and price make the representation of West and Whitney is continued and Whitney is continued to Work with Misteria and United Technologies, is the such as the DC-8, 707 and USAF Turbinen Union of West

KC-135 a practical alternative. Pratt and Whitney also makes DC-9s. During 1978, over 570 40. The largest version of this engine the 59A/70A in service win a contract, however, with vits engine several airlines who are interested in 767s with that power-plant.

Rolls-Royce is planning to spend upwards of £500m on new simple several airlines of £500m on new simple several several

Germany and Fiat of Italy on the "new technology" JT-10D for the Rolls-Rayce RB-211-535. Development work has been In addition to the 747 and under way for some time, and DC-10, the Airbus A-300 is being certification is set for late 1231.



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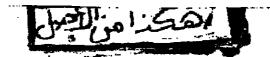
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The DC-9



THE ARTS

ıris Opéra

Lulu by RONALD CRICHTON

nd lo. after years of fuss fristration, rumours and nterfumours, of diplomacy delcate negotiation, Alban g's recond opera. Lulu, has performed in its entirety the version completed by edrid Corba. Now we can the work itself, for-e makeshift truncated which the third act for so long. But first o Rolf Liebermann. give ad of he Paris Opera, to sful remiere on Saturday s in gat measure due. In a face othe impression made the expleted third act and the win welcome given to ulez, Creau and the singers. ost unlikely that the gal acti entertained by the org Fedation to prevent rther oductions could go

The dirence made by the impletic affects not only the urd secut the whole work id estially the principal paracter When he died Berg ad corpsed all the music some nor details of the last ct exced) in short score but ad nothished the orchestrae old way of doing th the first scene mittedid the last one mimed a two hovements from the e arranged by Berg imself for concert use, becurithe symmetrical plan f the ble which Berg did not o mu impose on but drew ut dhe two consecutive ulu-us by Frank Wedekind ch he took his libretto. three masters of the Secon Viennese School Berg. is weck has long shown, is he st accessible to the gene public. But though s rigorously complex than schoenberg and less mindy concentrated than mings concentrated than of Syrical feeling and hypensitive morbidity there passion for intricate formaiructures, numerological es, palindromes and so his new book The Music ban Berg (Faber & Faber, Douglas Jarman refers to apparently paraal fusion of technical alation and taneity." Dr. emotional Dr. Jarman's e, not a biography but a illed analytical study of the sic, contains much of erest, especially to those charts setting out Berg's

Brry placed his climax, the sint of no return for Lulu, in orchestral interlude in the are almost indistinguishable.

lasgow Citizens'

Macbeth

Scottish Press with Trevor —but the mn's simple chamber aposch. But the real model— intelligent. oach. But the real model—is willindeed it is a model—is Willm Gaskill's spine-tingling
66 Royal Court producton,
oren in a full glare of white
th with minimal properties.

Like Gaskill, Mr. Havergal
ows the imagery of the play
speak for itself. There is
it one sound effect all evening,
at of the knocking at the
wrier's gate (repeated in Lady
acbeth's sleep-walking scene).

Decrowns, no robes, no appariins. The clutter of kineship

Intelligent.

The full 1623 text is given,
minus only the unlamented
actors not
on stage lounge at the side in
full. undisconcerting view,
from Gaskill, Mr. Havergal
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from stage lo acbeth's sleep-walking scene).

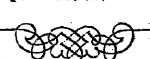
no crowns, no robes, no apparins. The clutter of kingship oves as illusory to Gerard urphy's vocally athletic young ro as does the tantalising ager. Anne Righter has ritten of Macbeth as an actor resed in homeophy as a contract of the contract of t essed in borrowed robes, and is view of the play is start-lely corroborated as Mr. urphy comes down stage, laying his arms as if to

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Teresa Stratas and Yvonne Minton

familiar with Lulu immediately

identified the Acrobat, I wonder?

The overbearing sets dwarf the characters. Never in my

experience of this opera have Dr. Schon and his son Alwa,

the dubious old Schigolch or the

acrobat seemed so individually insignificant. In two of the

scenes designer and producer create more problems than they solve. The glass walls of the

theatre dressing-room, which

allow an enticing climpse of what appears to be the Opera's

Foyer de Danse, also comp-l

Lulu to make Dr. Schon write

engagement in full view of the

theatre staff and some of the

The London attic where Lutu

is murdered becomes an under-

ground lavatory, apparently un-attended, with a long flight of

stairs leading down from the

street and a dark corner where the clients can be taken. Here

Chéreau goes against the book

player of the Medical Professor

of the first scene (Lulu's first

husband), her first client-off

the streets is played by a mident

already briefly glimpsed in the prologue. The only reason for

upsetting Berg's plan seems to

audience.

form of a palindrome, in the How many of the audience unmiddle of his second act, where the first Wedekind play ends and the second one begins. He cut and tightened the text, devising a scheme whereby Lulu's career, having taken a downward turn, mirrors the upward curve by doubling the roles of the three husbands she destroyed in the first part with three clients she picks up as a prostitute during her miserable last hours in London. Now the tables are turned on

her with a vengeance. The second cliept, a Negro, kills her fourth husband. Alwa. The third client, none other than Jack the the letter breaking off his Ripper, knifes her off-stage. On the way out he does the same for her devoted female admirer the Countess Geschwitz, London. is reached by way of Paris and a brilliantly written scene (staged for the first time on Saturday) of ensembles and increasingly tense duets while Lulu is blackmailed with threats of disclosure to the police, still after her for the shooting in Germany of her Instead of being doubled by the third husband.

Patrice Chéreau has admitted to finding in Berg's score "ex-treme violence." He and his collaborators Richard Peduzzi (sets) and Jacques Schmidt (costumes), the team for the centenary Ring at Bayreuth, have been to leave Toni have abandoned the usual 1900 Blankenheim, who plays the charts setting out Berg's have adamonded the usual 1900 Blankennenii, who plays the dispersion of Don Carlos can be closed forms (on a larger setting for Luke. In its plane, Medical Professor, free to sing. Paris version of Don Carlos can be complicated scale in Nazi-style late 1930s architective the part of Schigolch as well this ancient institution have been so signally the centre of the complex of reprise in cold, menacing and monusable in an enterprise on this the operatic world.

In the days of the part of Schigolch as well this ancient institution have been so signally the centre of the part of Schigolch as well the mention the loss of jobs this China which was certainly quite better than not to know. Britain last October, it told the mention the loss of jobs this China which was certainly quite better than not to know. It is a specific to the part of Schigolch as well this ancient institution have been so signally the centre of the part of Schigolch as well this ancient institution have been so signally the centre of the part of Schigolch as well this ancient institution have been so signally the centre of the part of Schigolch as well this ancient institution have been so signally the centre of the part of Schigolch as well this ancient institution have been so signally the centre of the part of Schigolch as well this ancient institution have been so signally the centre of the part of Schigolch as well this ancient institution have been so signally the centre of the part of Schigolch as well the mention the loss of jobs this China which was certainly quite better than not to know.

The part of the part of Schigolch as well this ancient institution have been so signally the centre of the part of Schigolch as well the mention the loss of jobs this China which was certainly quite better than not to know.

The most distinctive temple braces, normally used to prop theatre in the laud has up flat scenery.

It has long been an unfair accusation levelled at the Citizens that they do not would be considered by the constant of the assed production by Giles how to speak verse. Well, rergal of Shakespeare's Albert Finney and co. at the litest tragedy. Performed der working lights, with classom furniture and well worn naches, the overall effect is as virsiating as any of the eatre's more baroque concocns. Comparisons have been de in short sighted corners of Scottish Press with Trevor in simple chamber and simple chamber and simple chamber and simple simple simple chamber and simple simple simple simple chamber and simple simple chamber simple simple chamber simple cham admirable, audible, bright and

> Macbeth, simply attired in a white T-shirt and rehearsal dress, is a brilliant interpretation, combining taut muscularity with tremendous verve of delivery and the fluttering gestures of a distraught hostess when the

distraught nostess when the party goes awry.

The production is full of inviting physical detail. After Duncan's murder, Malcolm and Donalbain fly harum scarum through the stalls; the murderous couple cling terrified to the theatre's whitewashed sclare himself "a poor player int struts and frets his hour poor the stage." And what eapons do he and Macduff ike up at the end? Stage to the theatre's whitewashed back wall during the rapid stichomythia of "I have done stichomythia of "I have done the deed" etc: the murdered Banquo lies downstage while the feast he fails swings into upstage view; the entire banquet scene, in fact, has great fluidity, culminating in Macbeth's shout of "It will

have blood."

This is a production of which Peter Brook in his current mood would be proud. Mr. Havergel has provided both a nerfect introduction to the play for young audiences and, in Cerard Murphy, the best young Macbeth I have seen.
MICHAEL COYENEY

Carlisle Theatre Club

public appeal The Green Room Theatre Club. Carbsle, has been forced to launch a public appeal to com-plete work on a new 150-seat theatre because £12.000 worth theatre because £12,000 worth life, the words capturing the of labour promised by the Man-hard, urban atmosphere expower Services Comission was emplified when Phil Minton piano playing, which

scale. That the episode with Lulu and the midget is touchingly carried off doesn't excuse

Anything less like the usual sex pot than the Lulu of Teresa Stratas is hard to imagine tiny, spare, a sparrow with large eyes and features that can harden when necessary, frowsty hair and, one dress excepted, inconspicuous clothes. Not a man-killer, as Chéreau explains, but a woman fated to attract ance, though she showed both energy and grit, sang many phrases in the lower and middle registers with the charm and intelligence one would expect, but like other singers of the old, incomplete version was forced to deliver the highest parts (the first scene of act 3 contains some new and hairraising examples) in what can only be described as a squeak. Though the lines of spoken German gave Miss Stratas no difficulty, her sung words were barely audible—a fault that must be put right.

the Ripper is so striking that his Dr. Schon earlier in the even-ing seems like a preparatory study—it would really be better the other way round. Yvonne Minton's potentially excellent Geschwitz is not yet quite in focus. Hanna Schwarz as besotted Schoolboy and complaisant Page refuses to be squashed by her surroundings. As the Banker, Jules Bastin hestrides the money-ensembles in the Paris scene when shares start to crash. Robert Tear makes his mark both as the painter and as the negro, Gerd Nienstedt's nimbleness as the acrobat belies his unathletic appearance. As Alwa, Kenneth Riegel sings surely but dryly, rewise, in three small roles, Helmut Pampuch.

In the orchestra pit Boulez brought his remarkable power of clarity to the outlining of the on an Ethiopian air attack on structure and filled those outlines with commitment and colour. Only in the second act did the expositor at times (not, however, in the central interlude) threaten to take over from the interpreter. In the last scene of the third act the passion and force of both music and performance were deeply moving. Faults and all, it was a heroic evening-rarely since the days of Meyerbeer or the

Music Projects

by NICHOLAS KENYON

Revolution is at the heart of by Richard Bernas' enterprising Richard Orton's Brass Phase, group Music Projects/London which was given its London premiere at the Riverside Studios on Sunday. This is no Marxist tract, however, but a nostalgic phantasy for 12 brass players on revolving chairs, each surrounded by four music stands, filling a roughly circular space. The players rotate on their chairs, sometimes freely, sometimes unanimously, while the conductor directs from four separate positions around the circle, timing two sections by the periods taken to walk and run round the players. Perhaps we might have heard more had we too been allowed to wander from Grimethorpe.

The first half of this concert

contained pieces by Elliott Carter and Rolf Gehlhaar, plus Robert Saxton's 1975 Reflections of Narziss and Goldmund, heard last year at the Round House. It's full of this composer's dis-tinctively attractive sounds (rhapsodic oboe solo over glassy strings and rippling celeste), a rather narcissiste reflection indeed. But this was an uneasy performance, too nervy to catch the languorous atmosphere of the piece. Rolf Gelhaar used two similes to describe his Camera Oscura, one of which was that of dom around a dark room—but for me it revealed nothing ensemble writing. The room was empty; perhaps that was the

brass band music, a fragmented circus fanfare, a half-heard notes, Orton, Saxton and Gehl-hymn-tune, breathing, noises haar introduced their own works with clarinet mouthpieces—a impromptu, briefly and some-pale reflection of a strong times uneasity; but this worked In the absence of programme notes, Orton, Saxton and Gehlwell, a welcome change from pre-packaged, pre-concert "lec-

The Venue, SW1

Mama Chicago

by KEVIN HENRIQUES

On Friday it returned to London for what is likely to be its last presentation in the capital (Westbrook is a prolific com-

Like many of his pieces this incorporates many facets of music, not solely jazz. The promise was that Friday's performance would showcase the work in the most suitable ambience, namely a cabaret setting Alas The Venue (formerly the vast Metropole Cinema, minus the stalls and with tables placed on the now unraked floor) could hardly be described as intimate, even for a football

Mama Chicago is a words and music commentary on big city sings of "this graveyard of a shame.

Mike Westbrook has been performing Mama Chicago, his extended composition cum jazz markedly, both texturally and musically. To satisfactorily conwhen it opened at the Open Space in London before going on to the Edinburgh Festival. On Friday it returned to London was on Friday when too often the sound markedly, both texturally and musically. To satisfactorily convey its meaning and intent the sound needs to be better balanced and projected than it was on Friday when too often intelligible or drowned by the band. Certainly the wit and poser, never content to wallow irony were lost and the audience in past glories, always working on adventurous new ideas).

Having the six-piece band stuck rigidly on stage behind an array of microphones and far removed from the audience at the tables certainly did not lead to that feeling of relaxed intimacy essential to any cabaret, jazz or otherwise.

During this disappointing evening there was, however, much music to relish—most of all the flery playing of saxists Chris Hunter and Pete Hurt, as well as the versatility of Kate Westbrook both as musician (tenor-horn and harmonica) and as feme fatale chantense. Mike Westbrook gave only a few brief glimpses of his moody

Television

Man's inhumanity to man

by CHRIS DUNKLEY

Current affairs programmes. it was suggested in this column last week, may well be greeted by many viewers with indifference and dislike not only when they are badly made but even more when they are well made. Ineffectual superficial programmes may cause passing annoyance, but power-fully effective analytical proself-destructive men. Miss grammes showing the serious-Stratas, who was said to have ness of society's ills and demon-been unwell at the first perform—strating that there are no easy answers, no blacks and whites, few real heroes and villains, but increasingly difficult choices between various evils, may well

> dency in the viewer. To go from the writing of that column straight to a week at the 19th Moute Carlo International Television Festival was to have the theory powerfully reinforced and "internationalised."

Not that the festival was wholly demoralising, Admittedly the British drama entries (BBC's Lost Boys, mistakenly listed as Franz Mazura's glacial Jack version of "Peter Pan." and Granada's Wings of Song) got nowhere, while EMI somehow brought the AMADE-UNESCO prize back to Britain using an American production called .4

Special Sort Of Love. However, the week ended with British broadcasters winning the Golden Nymphs for both the top "actuality" awards: 1TN's News At 10 for the best news report, and BBC1's Panorama for the best current affairs programme. For ITN this made the fourth year in a row that they had carried off top honours. In 1976 they won with a report from Vietnam, in 1977 with a report on the cod war, last year they were commended (no Nymph was awarded) for coverage of the National Front riots in Lewisham, and now they have won again with a report

The film, showing the bombing from close quarters and the desperate conditions in Eritrean hospitals, was made by reporter Jon Snow, cameraman Alan Downes, and sound man Don

Eritrean guerrillas.

Panorama won its award with a programme made by producer Christopher Olgiati and reporter Philip Tibenham called "The Friends who put Fire in the Heavens." Transmitted in

extraordinary story of the West German rocket company OTRAG which has set up business on a 40.000 square mile site in Zaire and with the help of former V2 specialists has developed a spy satellite system for sale to all

It is, of course, cheering to see British broadcasters achieving such international success. Yet the main effects of watching day after day of news and current affairs programmes from countries all over the globe was one of growing sadness, mainly on account of the content, although technique too induce much deeper despon- did frequently leave a lot to be

> The repetitive nature of problems and pains, misery and murder, famine, war and all forms of inhumanity illustrated by these programmes is on its own enough to cause deep dejection. It is not particularly enrapturing to sit at home and watch even the highly selective often offered by domestic tele-

It is much worse to sit and watch a French news report on Christians being shelled in Beirut, followed by a British report on the training of Nkomo's guerrillas, followed by ITN's film of bombing in Eritrea, followed by Spanish footage of carnage in Nicaragua. followed by an American report on Palestinian suicide terrorists. followed by a Hungarian programme about war in the Sehara, followed by a dozen other depressingly similar re-ports. The image of mankind produced by such an accumulation is dark and sinister.

Almost as bad is the result of the occasional fortuitous juxtaposition. For instance, on Thursday morning a Belgian programme used the town of Charlerol to illustrate the crisis in the Walloon economy and explain the growth of unemployment. In the afternoon, an activities of the Greenbeace conservationist organisation, showing volunteers in rubber dinghies on the high seas placing relief. The Russians showed and whales. The Greenpeace people put across a powerful argument for the ending of all whaling before the animals are

would cause among Russian and Japanese whaling fishermen and workers in associated industries. Each programme elicited great sympathy and each appeared to have right on its side, the first

viewer despair. As the days passed and the creens continued to show the armies and the police forces, the guerrillas" and the "terrorists." the "freedom fighters" and the "gunman" killing one another, there were three phases of reaction.

bemoaning unemployment and the second in effect calling for

more of it; enough to make any

At first one was siekened by the evidence of such widespread superstition, hate and blood-shed, and unhappy that fele-vision in all countries should seem so keen to seek it out.
Then came the thought that to sit through days of news and current affairs programmes literally from morning till watch even the highly selective night was to contrive at an collection of real-life horrors so artificial intensification which could in no way reflect reality. Finally, however, came the thought that it was not television which created all these wars and other outraces, and that although the festival concentrated them in one place.

many of them actually do consimultaneously different parts of the world not for days but for years. In other words, since national television service would ever dare to give its audience what would be needed to show the unhappy aspects of the world as it is an undiluted

diet of such material without any quiz shows, soap opera, sport or whatnot—a television festival such as Monte Carlo's is probably the first place in the world where one can go and find described in vivid pictures and sound the sort of horrors which are, indeed, occurring in various parts of the world all the time. Such an experience makes what Jonathan Swift American entry illustrated the must have intended as satirical exaggeration look instead like ludicrous understatement. There were moments of

themselves as human barriers some fascinating footage of between Russian harpoon guns cosmonauts working in weightless conditions. ITN entered

different from those familiar propaganda films about cooperative farms and the glorious mulitia, and is only, I suspect. a trailer for what television will soon be showing us of China's new image. A five-year-old Chinese girl who burst spontaneously into song and dance for the camera would, by now, be under a watertight contract if she lived in the West-whiel is not to deny her charm. Bu.

such moments were rare.

More commonplace were examples of techniques which we should be grateful are not (yet) used (much) in Britain. now seems almost standard practice in many countries, if heartstrings are not being jugged hard enough by, say, slaughter in Nicaragua, to stick a bit of Tcharkovsky at his sentimental

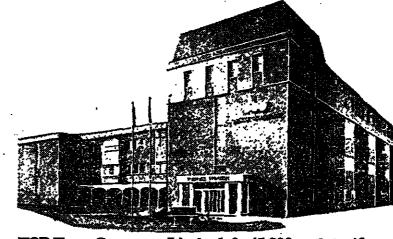
sound) rack Furthermore, commentaries often make claims which the pictures not only fail to support but sometimes flatly contradict. This reached its absurd climax in a Yugoslav film about Cambodia in which merry singing on the soundtrack and remarks of the "Here is a happy 12-yearold "variety contrasted starkly with the pictures of sexually segregated labouring by door and fearful looking black uniformed masses. In the entire film only top dog Pol Pot bughed; and he laughed all the

Since different categories of programme are screened simultrneously in separate viewing rooms at this festival it is impossible for one viewer to see decided to concentrate on news and current affairs (and been convinced that our best is, as the awards suggest, as good as and better than anyone's) I saw little of the drama, and cannot judge how our domestic standards compare with the international offering at Monte

Luckily I did, however, see the two Gold Nymph drama winners: How To Get Daddy In A Fix from Czechoslovakia, and Black and White Like Day And Night from West Germany.

The current affairs they car keep - at least until BBC1 in the long news report section scraps its own in favour of non-its 20-minute "reconstruction" stop chat shows. Then a few the Hungarian Circle bank imports might come in handy. whaling before the animals are swindles. Japan showed a pro-Saddening though such pro-wiped cut. At no stage did they gramme about the "new" grammes may be, to know is grammes may be, to know is

I he fastest buildings in the west... and the north, south and east



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FINANCIALTIMES

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Wednesday February 28 1979

Financial euthanasia

treated with caution. It is clear accepts or snow on their boots are no doubt exaggerated. All the same, these reports are not pure invention. There has been investment from overseas, and there has equally been some modest Bank of England intervention in the exchange markets to finance this demand. These are the symbols, at least, of self-defeating policies.

Absurdity

The simplest way to demonstrate the absurdity of existing policies is to assume, for the sake of argument, that all the current rumours are exactly true or, more plausibly, that the more modest inflows actually experienced in recent days are sustained long enough to reach an important total. The results of such a flow would be unequivocally to damage the invisible account of the balance of payments, and either to undermine monetary control, or to damage the growth of manufactured exports. or both, according to the intervention policy followed. In short, the authorities have managed to devise a system of controls which is so preoccupied with the problems of weakness that an access of financial strength damages the real economy. This is an absurdity which must be tackled.

There are two fundamental problems here: exchange controls, and excessive reliance on long-term funding. Each is harmful in itself, and they form a poisonous combination. We argued the case for an urgent relaxation of exchange controls very recently, and the arguments can be restated briefly. They arise simply from the fact that if rising North Sea oil production is to be used partly to secure an improvement in the current account-or in other words, if a corresponding deterioration in the non-oil account is to be avoided—then that improvement must be

Guidance

Finance for an improved balance of payments can be provided in one of three ways, very an outflow of private capital of domestic residents, an outflow of within the next decade, such an non-resident capital, or an out- approach across the exchanges

AS THE extraordinary boom in through central bank interventhe gikts market continues, tion or foreign aid. This is market explanations are to be well understood in countries which have a tradition of exportthat the main cause of the up- led growth. The Germans and heaval is a self-feeding change the Japanese, for example, are of mood among domestic inves- ready to provide concessionary tors, and reports of heavy buy- export credit, to intervene in the ing by men with thick foreign exchange markets, and actively to encourage the outflow of private capital-indeed, some of the funds seen in Loudon this week are reported to be flowing from Japanese pension institutions under official guidance.

in Asia

radio responded to an offer from

President Park to begin Govern-

ment-to-Government talks at

place" by proposing a detailed timetable for the "de-escala-

tien " of North-South confronta-

of propaganda attacks (on Feb-

ruary 1) and culminating with

the convening of a "Pan-Korean

Last week, North Korea

actually sent four delegates down to the military demarca-

tion line between the two halves

of the country and was able to

induce a reluctant South Korea

to field an equivalent team. The two sides spent 90 minutes dis-

cussing such things as the re-

opening of the hot telephone

line between Seoul and Pyon-gyang and the date of their next

South Korea claims that the

programme is essentially a

"fake" designed to score propaganda points and perhaps

to make Pyongyang look good

Government-to-Government

congress" in October.

meeting.

any time, any level and any

In this country the rules are very different. The outflow of capital owned by domestic residents is forbidden; intervention in the exchange market is reluctant, for fear of undermining monetary control, while as a final absurdity Finance for Industry, a group part owned by the Bank of England, is taking the opportunity of improved conditions to encourage capital inflows by launching an international loan. Meanwhile nonresident capital is being attracted inwards by the level of yields on Government stock. On present trends, the capital account will be in substantial surplus, and the current account in deficit in spite of North Sea

The foreign demand for gilts brings funding policy into the balance of payments picture, but the effect of capital flows across the exchanges is only part of the story. The payment of high coupon yields across the exchanges is a burden on the invisible account for as long as the stocks are held; and the regime of high interest rates hampers British industry,

Hedonism

The fact which seems to have escaped the attention of Ministers is that a strong underlying improvement on oil account is bound to make sterling uncomfortably strong in real terms unless it is offset on the capital account.

Even wage moderation would simply secure the same result at a higher exchange rate and

in the Third World with lower inflation. The reasons why the South If no allowance is made for declines to take the Northern overtures at their face value this access of strength in official exchange and monetary policies, are that the North is suggestthe results are as predictable as ing people to - people contacts the laws of physics: a deter-iorating non-oil balance, pro-bably as a result of rising connegotiations, and appears to intend issuing its own invita-tions to South Koreans to parsumption coupled with falling manufacturing output, as experience is already showing. ticipate in the congress in October.

the North Sea were inexhaustible, this might be a ing to make use of President whom would welcome an opporis tunity to air their criticisms of President's authoritarian style of government. Another reason why the northern de-escalation programme might seem designed to score tactical

The new war in Vietnam

TEN DAYS after the start of the Chinese invasion of northern Vietnam, it has become clear that the operation is on a considerably larger scale than at first appeared likely. The Chinese Government continues to stress that it is engaged on an essentially short-term punitive enterprise, but from the comments of a number of Chinese leaders it is now apparent that they do not expect it to be over in a matter of a few days. On the contrary, one such comment implies that it might last several weeks longer.

Expansionist

The factors which provoked China into carrying out the invasion are not seriously in doubt. First and feremost was Vietnam's invasion last month of Cambodia; quite apart from the fact that it represented a blow against one of China's allies, and thus constituted a serious loss of face for Peking, it was bound to be interpreted as an expanionist move by Vietnam in a region in which the Chinese must consider they have special interests, more especially since Peking has been giving new emphasis to its role on the world stage. In addition there has been the expulsion from Vietnam of people of Chinese origins, which can only have provoked a regime which has been strengthening its links with the overseas Chinese.

Less experienced

Just what the Chinese expect to achieve by their invasion remains obscure, however. Vice Premier Deng Xiaoping has admitted that there may be a link between the Chinese military operation in Vietnam and the Vietnamese military operation in Cambodia, but he has not offered a withdrawal from Vietnam if the Vietnamese will withdraw from Cambodia, nor, conversely, that China will continue fighting until Vietnam does withdraw from Cambodia. On the other hand, there has been a call from Peking for negotiations to end the fighting, which implies that the Chinese do have some sort of explicit bargain in mind.
It seems doubtful whether the Chinese can very rapidly compel

such bargain by force of arms. Vietnam has one of the toughest and best equipped armies in the world, and while there is little reliable information about the details of the campaign now under way, it appears that Hanoi has not yet felt compelled to throw its best units into the fighting. China's population dwarfs that of Vietnam, but its troops are less well equipped and much less experienced. By sheer weight of numbers, the Chinese army can no doubt in time inflict substantial losses on the Vietnamese forces, but even then it is not obvious that China can succeed where the United States failed after many years of fighting.

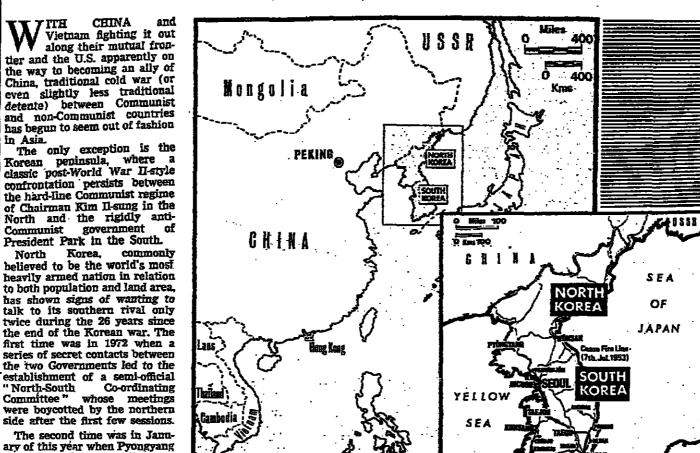
That kind of time-scale is evidently not what the Chinese have in mind. however. Given their extraordinarily ambitious plans for economic development with massive imports of capital equipment from the outside world, the last thing they need is a long-drawn-out conflict with Vietnam. Moreover, the one thing they must avoid is provok-ing the Soviet Union into getting involved on a significant military scale. Moscow has publicly con-demned Peking's invasion, but in practical terms it has so far shown commendable restraint. despite its recently-concluded alliance with Vietnam. But China cannot count on unlimited Soviet restraint: the longer the war in Vietnam goes on the greater the danger that the Soviet Union will intervene. either by stepping up supplies to Vietnam or by military activity on China's northern

Negotiations

The danger that the situation could get out of hand should not be underestimated. The Chinese may intend only to give Hanoi a shock, as a warning that it must act more cautiously in future and with more regard for Chinese interests. and then in a few weeks withdraw. But the United States and the Soviet Union attach any real meaning to détente, they should use their best efforts to launch serious negotiations, either in the Security Council or through the Vietnamese to accept any some third party, like Japan.

The faint signs of a thaw in Korea

BY CHARLES SMITH, FAR EAST EDITOR



Korea had planned to stage a liminary results tion, starting with the suspension

the northern proposals are worth exploring and that the only way to do so properly may be to sit down at a table with Pyongyang's representatives and find out what they are after. They also believe that South Korea could appear to the uncommitted (and uninitiated) to be putting itself in the wrong if it fails to go along with the Pyongyang Congress offer or to come up with some acceptable alternative.

No one really knows why North Korea should want to start talking to the South. The assumption is that Chairman Kim is looking over his shoulder at events outside Korea. The U.S. China diplomatic nor-malisation means that the Americans can now ask the Chinese to use their influence on Pyongyang to procure a peaceful settlement of the Korean question.

The North Koreans may wish to forestall Chinese pressures by appearing to be spontaneously interested in getting talks started. They are area. This means, says the South, almost certainly, concerned that Pyongyang is merely try-about the situation in the U.S., Park's opponents, some of ing decisively in favour of the postponement, if not outright cancellation, of President Carter's plan for withdrawing troops from South Korea.

North Korea's armed forces are substantially stronger than those of the South both in numbers and equipment. The gap could be even bigger than is suggested by the figures in the table, judging by the pre-

major military exercise in their American intelligence survey and 15 per cent per year since half of the perinsula.

U.S. officials in Washington Korean strength may have been probably about five times as and Seoul clearly believe that under-estimated by 25 to 30 per cent. If the North Koreans are as strong as the U.S. now seems to believe the chances are that they might be able to seize Seoul (the South Korean capital which lies only 25 miles from the demilitarised zone dividing the two parts of the

country) in a surprise attack. The drawbacks, from the North's point of view, of launching such an attack would be that the Russians and the Chinese would disapprove, and that the U.S. might throw additional forces into Korea in an attempt to recapture Seoul. The chances of that happening, how-ever, would be diminished if the North delayed its attack until after the completion of President Carter's withdrawal pro-

Southern GNP has may start to close fairly would prohably be difficult for

an been growing by between 10 large as North Korean GNP (around \$45bn in 1978 against the North's estimated \$8bn-\$10bn). The North spends a far higher percentage of its GNP on defence than the South. (Estimates range from 14 to 25 per cent, but a good guess is 20 per cent, compared with Southern figure of around 6 per

However the discrepancy between the overall size of the northern and southern GNP is now so great that net defence expenditures by the South as opposed to the percentage of that of the North. It will take a long time before this results in the South being better armed than the North, and the start of "substantive" peace talks between North and the start of the substantive start of th

wards.

The current real Northern growth rate is believed to be around 6 per cent per year, but the economy suffers from bottlenecks in the shape of raw In theory the Chiese of Rusmaterials shortages and a slans could be of help a shaling
seriously under-developed land a peaceful solution to the state of and maritime transport system. It is not deficient in industrial capacity which accounts for an estimated 65 per cent of GNP, mainly in the heavy sectors. In order to eliminate the bottlenecks North Korea needs foreign exchange, which happens to be in very short supply.

South Korean research organisations specialising in North Korean affairs claim that the North has had a trade deficit during six of the past seven years. Exports in 1978 were worth approximately \$630m against imports of \$720m. They also estimate that North Korea owes western countries (including Japan) \$1.24bn and the Soviet Union about \$902m. These figures date from 1976, but the overall debt picture is thought to have remained virtually unchanged since that time. It would appear, therefore, that what North Korea needs most badly is a massive dose of economic assistance from advanced industrial countries. As far as is known the North

Koreans are not in fact asking for help though it is supposed that economic matters must have been discussed last year when two top Chinese leaders, Chairman Hua Guoteng (Hua Kuo-feng) and Vice-Premier Deng Xiaoping (Teng Hsiaoping), visited Pyongyang within months of each other. The North Koreans have confined their contacts with western industrial countries to negotiations on the rescheduling of existing foreign debt. They have shown no signs of taking a leaf out of the Chinese book and going all out for western economic assistance at the price of modifying domestic policies.

There are slight signs that the U.S. might be interested in lifting its embargo on trade with North Korea if it thought that political benefits were to gramme (assuming the pro- may never come when the South Americans appear to have been gramme goes ahead as planned). has a larger number of enlisted given no indication that ProngIf stalemate continued South soldiers. The probability is, yang is ready to ask for the
Korea would almost certainly however, that the defence gap embargo to be lifted. To do so

rapidly from the mid-1980s on- President Kim II-sting whose personal power rests ien his reputation as a former merrilla fighter against the spanese dedicated to solving sagres's

problem, but in persons they probably cannot. Chief affers a 750 mile (1,200 km) shall with his North Korea and persons has the capacity to station up to 50 than the entire Noth Korean armed forces. The Rissians only have a 6 mile (10 m) shared frontier, but are the sen source of North Korea's fig or sircust and of more than hill of the oil. Most of the rest comes from

The trouble with hims or the Soviet Union trying a use these or other forms of learning is that pressure on Pyongung is that pressure from citit country would automatical increase the influence of a other-something neither de is nee pared to contempla-

China is present to be China is present to be especially auxious to electrician current relatively family relations with Pyongyar after losting to the Soviet Unation either regional power strukts (such as those in Indone and Afghanistan). The Rating on the other hand, can infood to give up the chance (securing naval repair facilities & North Korean warm water facilities & North Korean warm water re So one is left with likely-

hood of a very slow de.

The odds would sel to be that proper peace talbetween North and South wilant get under way this year, that if they do they will ma with extreme slowness. On whier hand some other developers on the diplomatic from on the diplomatic remaples possible, including a we by Japan to establish a latery closer relationship without Korea. At present Tokyang-nises the South Korean was a latery tokyang-nises the South Korean was a latery tokyang-nises the South Korean was tokyang-n ment only, but does stille cherish the ambition of and ing the U.S. into a walk relationship with Pyongs as it did seven years ago case of relations with Chir

Floati

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If the thaw is as gradian seems likely, the U.S. drawal programme may had be rephased over a much kee period than at present project In the end, however, bot U.S. military presence and continuing cold war in a penhasula may come to be a continuing cold war in a penhasula machronica.

100 supersonic MiG 21s

HOW THE FORCES ON THE TWO SIDES COMPARE

GROUND FORCES 1,950 tanks 2,500 artillery pieces

2.5m men in para-military reserve 560,000 troops in 20 divisions

SOUTH KOR 850 tanks 2,000 artillery pieces

2m reservists

32,000 troops in one division

120 ships totalling 78,000 tons Including: 18 destroyers

6-7 frigates 17-19 missile attack vessels

Including: 12 submarines

340 aircraft, including four squadrons of Fis

Support units only (but 7th Fleet units based in Japan)

60 F4s in

AIR FORCE

Gambling £3.75m on Scottish pride

points is that it calls for sus-pension of "hostile military activities" in March—a month

in which the U.S. and South

The Government had had to find a use for an empty Scottish parliament building once before; but the Edinburgh property market was different in 1707, and the lawyers snapped it up to house the High Court and the Faculty of Advocates, Scottish equivalent of the Inns of Court.

If the country rejects devolution in the referendum to-morrow, finding a new use for the old Royal High Schoolbeing renovated at a cost of £3.75m as a home for the Scottish Assembly-might not be so

easy.
Indeed the Scottish Office refuses even to contemplate such a possibility. On its instructions, the Property Serahead and hopes to finish conversion work by the end of April. All the seating is in-stalled in the elegant oval debating chamber, microphones are wired up, and 158 television screens, part of the internal information system, being put in

The builders have gone to a lot of trouble to ensure that building remains: ceiling mouldings and pine panelling on the existing ones.

The overall effect is Not all has gone well, I have luxurious, and a little cramped. to report. One of his staff told It is hard to imagine what else me with some heat yesterday it could be used for if the vote that a Foot message for the coes the wrong way. With only 150 seats in the main hall, it is been inserted in garbled form—too small for a conference and published under the name of centre, and the local councils John Smith, the Trade Secretary. already have lavish accommoda-

tion of their own. A Quango might find a use for it. Or perhaps a job creation mischievous scheme could move it, stone by stone, to London to house the all-party talks which Mrs. Thatcher threatens to set up to



more than 150 MPs would ever feel irresistibly drawn to such

Clash of Yesmen

In the last few days, Leader of the House Michael Foot has been supplying his well-tried the Georgian grandeur of the rhetoric to any newspaper that asks for it, in the form of personalised messages to Scotwalls have been replaced to the tish and Welsh readers. He is original specification, and an urging them, of course, to vote extra gallery built for spectators is supported by cast iron columns moulded to match the favoured with several rousing paragraphs.

> Sunday Mail in Glasgow had "We are trying to sort it out now," she fumed.

Intrigued with this seemingly Glaswegian behaviour, I contacted the paper's brisk assistant editor, Ms (she insisted) Ruth Wishart.
"No mistake," said Wishart. on the phone for a long time while afterwards a gun-toting with Mr. Smith about what he squad confronted the servants. would like to say.

former Minister, Smith seemed more relevant. "Admittedly his mes-Mr. Foot's," So assistant editor Wishart put the Leader of the House's words on the spike.

But Foot can take comfort that the Morning Star printed him perfectly down to the last full stop. With presumably unconscious irony, he informed the comrades that devolution should be "preleased with presumable that the company with the "preleased with the company with the comp should be "welcomed with open arms by everyone who calls himself a democrat"

Adrift

Long queues in some London branches of NatWest at the be-ginning of the week reflected the dependence on computers which the clearing banks share with hte Civil Service. A computer fault deprived a number of the branches of access to the

'A few months ago somebody put an axe through Post Office cable—that did the trick nicely as well," the branch in Cannon Street told me. What does the bank do without information? "If somebody wants to draw a sizeable sum, we have to ask, as discreetly as possible, one or two polite questions. . . . We have to fall back on straightfor-

Ayatollah's ears

The Iranian community in semiexile in London keeps in touch with home through long telephone calls to family and friends out in Tehran. The gossip has been relaxed, in the blithe assumption that the once everlistening SAVAK, the Shah's secret police, no longer taps the

So one affluent Iranian here ordered his servants to bury the family jewellery in the garden go through the whole devolu- "We had more messages than in Tehran until more settled tion business again. I doubt if we had space to print... I was times should arrive. A short

to demand: " Have you buried it

This use of the tapping facili-ties has led to the coining of an ironic new acronym: SAVAKH. In Farsi, it stands for "Service for Information and the Security of Khomeini "-pointedly close to the full meaning of SAVAK.

Silent types

Our embassy in Saudi Arabia was painfully starved of news yesterday about the mounting war in neighbouring North Yemen. This was not through any lapse on the part of British diplomats in Sanaa, capital of North Yemen—they were sending out all the latest battle

But the only secure way to send a message from Sanaa to Jeddah (about 400 miles as the desert crow flies) is through

The Foreign and Common-wealth office admits that this kind of difficulty is pretty general: "Only some priority traffic is getting through." In some parts of Whitehall, I gather, the lack of messages is: causing acute withdrawal symptons.

Stony road

Titters from the platform yesterday when a shareholder at the annual meeting of First National Finance Corporation, one of the heaviest fringe banks in the Bank of England lifeboat, moved that the increase in the auditors' fees be limited to 5 per cent as a sign of support for the government's pay pouicy. Despite pleading, apparently quite sincerely, the shareholder — described by my informant as 60-lsh and "not a City man"—failed even to find a seconder. It is, after all, only public money that is at stake.

Observer



Vickers runs into trouble in Newcastle

By HAZEL DUFFY, Industrial Correspondent

'AKE THE ingredients of Tyne-plant. On a more emotional and re-equipping Scotswood, ide, heavy engineering and re-note: the committee maintains. Scotswood was founded at undancies and one has a recipe or one of the most emotive ituation in British industry. ituation in British industry.
When Vickers announced on Typeside that was the mainstay anuary 5 that it intended to lose down its Scotswood heavy ogineering plant in Newcastle, ith the loss of 750 jobs, the dial reaction from the

sembled workforce was a funned silence. Instead of the rrage of questions and conpected by Mr. Noel Davies, int managing director of ckers Engineering, only two pestions were asked. One was: such Mr. Davies replied "Yes." Since then, however, the work-ace has been far from silent. Save Scotswood Campaign immittee was quickly formed, nich is supported by workers it Vickers' other Tyneside fac-aries. It has been voted 'c),600 by the Tyne and Wear unty Council and Newcastle Ly Council. At the same time, trd Robens, chairman of eckers, has found himself hav-

yevision. h'he company's reasons for inting to close down Scotsployees, are that the plant lost money in 21 out of last 25 years, and that its er book has been declining the point where there will only enough work for less an half the workforce by the of March. Furthermore, pjections for the plant show it it would continue to lose mey. Since losing its profit-He aerospace interests through tionalisation, Vickers can no nger continue to support such

og to justify Vickers' action in

zerviews on both radio and

The workforce retaliates by Jing that Vickers has sing that Vickers has prived Scotswood of investint over the years, and that obviously aroused k-has actually turned away

note; the committee maintains that Vickers has a moral and social obligation to keep Scots-

In between the current polarisation of management and workforce is the Department of Industry, which is analysing the claims and counter-claims to see if there is any possibility of saving the plant. Government interest in a closure of this size on Tyneside was pretty well assured. But the campaign com-mittee made sure of its claim on government time by involving the Northern Group of Labour MPs at an early stage, and by securing a meeting with the Prime Minister when he was in Newcastle in January for a

Tangled webb

Mr. Leslie Huckfield, the junior industry minister, is now working towards tripartite talks being held when officials have been able to draw up an analysis of the situation at Scotswood, although the delicate question of who should represent the workforce-the trade committee. the Vickers' shop stewards combine committee — has yet to be

The fact that the way for such talks is only now being prepared is indicative of the whole tangled web that the Scotswood case has become. The Department of Industry was first informed of the Scotswood problem in May, 1977, in a letter from Vickers to Sir Peter Carey, permanent secretary at the

department. The possibility of a further contraction of heavy engineering in the Newcastle area concern among its officials, and Vickers

the end of the last century by William Armstrong, the armaments manufacturer. During the two world wars, it flourished in this role, but at the end of the last one. Vickers to set about finding a product for the plant. It enjoyed a brief resurgence of activity during the Korean war, but after that, it was assigned to making tractors. Problems with the product, and competition from the established tractor producers, turned the programme into a failure. In the 1960s, Scotswood switched to making es for the motor industry, but this again proved a failure. The decision was taken to become a jobbing heavy engineer-

ing firm doing work mostly for outside customers.

In this, it has had some success, only moving into losses, amounting to around £1.25m in the past couple of years, when there has been a severe recession in the industry. Industrial relations with the workforce— some 50 per cent of which is skilled, and most of the remainder semi-skilled — have been good. A variety of pro-ducts have been made at Scotswood, some under licence like the Paceco container crane and the Logeman baler. Customers include the British Steel Corporation, Davy-Loewy, Standard Telephones and Cables, work is currently being meter (for the testing of tyres) for China—only the third such project to be undertaken any-where in the world. The order was secured by Vickers' Design and Projects Division, and the value of the work placed with

The actual buildings at Scots-wood, alongside the Tyne, are bady in need of repair. Vickers' management readily admits this, but they reject the workforce's allegation that the machines are hers in recent months because Engineering came up with a any older than in the rest of two intending to close the major scheme for reburbishing British heavy engineering.



LORD ROBENS, the chairman of Vickers. He has said of Vickers Engineering: "It will in due course . . . virtually disappear.

There is a clear need for refurbishment, however, and this scheme drawn up in 1977-78 was designed to meet it.

The scheme was costed at £14m, of which probably about third would have been met by the Government under regional development grants and selective assistance. It was suggested that the National Enterprise Board should also be brought into the discussions with a view to a joint venture. Before Vickers ever got to the stage of asking for Government assistance, however, the scheme had been rejected by the com-pany as being over-ambitious in the light of the continuing recession. The NEB's northern office is understood also to have decided that the erturn from the

the NEB's requirements as laid

There is currently a

massive investment in Nigel

Spearing's constituency of New-

ham South where companies are

created with working conditions

which are setting high standards

Government agencies are

being allowed too much "voice"

in (to quote Nigel Spearing)

"under-estimating and under-

rating" the area. To correct

Halfin there is land available

for sale, and units available for

letting. There is real evidence

of actual investment with new

industrial units being taken up

-this is not surprising when it is realised that the London

industrial park, and the East

End in general, offer one of the few remaining opportunities for

large scale industrial expansion

close to the centre of London and where main traffic routes

(including the river) converge. It is time Government agencies realised that it is all

happening in Newham - and

while they debate docklands they should be supporting and ensuring the growth taking place in adjoining areas.

9 Connaught Road, Harpenden, Hertfordshire.

ground.

down by Parliament, and the been rejected by the company. issue never went to the main The transfer to Elswick had Board.

By this stage, Mr. Davies, who had joined Vickers Engineering from Barrow "to escape nationalisation," he says, had a sumed responsibility for Scotswood following the transfer of Mr. Alan Taylor, previously joint managing director of Scotswood, to look after energy conserva-tion—a head office job at Vickers. Two other alternative plans for Scotswood and been drawn up—one, a scaled-down version of the original scheme, costing around £8m, and the other, the transfer of Scotswood

production to adjacent Elswick, which makes mostly military equipment, at a cost of £5m. Neither plan was ever dis-cussed with the Department of Industry, and both have since

liked by me in its industrial

changes which time has effected

in the prosperity of the region

however, I am saddened and disturbed by your correspon-

dent's depressing report of the seeming deterioration in the morale and production records

of the workforce. In one

particular case he mentions

that "productivity is only 47 per cent of the most efficient West German tyre factory, and

the amount of scrap produced

somewhat sweeping assertion

are really comparing like with

ductivity of workers so many

factors are involved (e.g. are

plant and tools equally up to

date in the respective factories.

quality of raw materials being

utilised, conditions of work

place, accessibility of factory

etc?) that I feel very careful

investigation should be made

before airing disparaging opinions. It can be extremely

disheartening for a workforce

which is engaged in fighting an industrial recession (which is

undoubtedly the case in Clyde-

bank) to be involved in com-parisons with certain areas or

countries where current capital investment and other factors

may be more favourable to higher production.

Therefore I trust the exhibi

tion will show many of the wonderful industrial achieve-

ments—past and present—or Clydebank and its workpeople

and hope it will prove to be a

district council in its valiant efforts to revive the prosperity

real encouragement

Miss Isobel Cassidy.

30, Chadston House,

Halton Road, N1.

in larger towns.

of the region.

When measuring pro-

is significantly higher."

for the many

heyday. Allowing

and turned down by the workers. But they are now angry that the transfer was not presented to them as an alternative to closure. Mr. Peter Tolchard, Scotswood convenor and leader of the campaign committee, says: "I think if it had been presented in that way, it

committee members refused to consult them over Hendin, chairman of

would have been considered."

which is concentrated at Scotswood-and that it wants the 16acres site for warehousing. similar to a scheme carried out when Michell Bearings, another Vickers plant on the Tyne, was refurbished last year, leaving some excess space.

Mr. Davies denies the second charge, but both he and Lord Robens would seem to confirm the first in statements that they have made concerning the poor future for heavy engineering in Britain. Lord Robens said in a Granada TV interview this week. "It will in due course, like many of the older industries, Virtually disappear." Although there is serious overcapacity in the industry worldwide, this does seem to many observers a rather sweeping rate of nearly 8 per cent, are analysis, and one which is cer-clearly not good even for skilled tainly not shared by those comnanies taking part in the Government's industrial strategy.

More scope

Vickers has been moving away from its traditional activities during the past decade, and this was made all the more urgent when the election of the present Labour Government heralded nationalisation of its shipbuilding and aerospace companies. In engineering, it has gone into higher technology products where the returns, and the future, offer more scope than the types of products made at Scotswood, aithough not always, as the losses suffered in the offshore engineering venture have

demonstrated. Vickers has clearly decided that it cannot afford to hang on maintain that management has at Scotswood to see if the market for heavy engineering the future of Scotswood (since products picks up. Apart from have produced no interest. The the closure announcement, Mr. the days when it was making only alternative to closure at armaments, the works has made Vickers Engineering, and Mr. little contribution to the group's Noel Davies, have met them), profits, and certainly not the Industry, which could probably They further allege that Vickers 15 to 20 per cent return on sweeten any potential purchaser

group. At the same time of must have money spent on it in of this, Mr. Davies says that closure is "a disaster in commercial terms. If there had been any possible way of saving it as a business we would have done it."

The group has not released its estimates of the cost of redundancy. But a report by Newcastle City Council, commissioned by the campaign committee, puts the social cost to the taxpayer at between £1.Sm and £2.4m in the first year following clusure. The £2.4m figure assumes that no Vickers employees find alternative jobs. Although this is unlikely, prospects in the Newcastle area. which has an unemployment clearly not good even for skilled

During all these events.

Vickers says that it has been searching for new heavy engineering products to be made at Scotswood. The company denies that it has turned away orders, although it agrees that it was slow to prepare a tender for mining roof supports for the Dowty group, in the belief that it was very unlikely to get the contract. Only fam worth of orders out of £50m tendered for year have been secured. For the plant to work efficiently, the management says should be taking at least

double this amount. Although the company bas agreed, at the request of the Government, to hold discussions during the 90-days consultation period (which started on January 5), the chances that it will have a change of heart are slim. Informal soundings by Vickers with possible buyers this point would seem to be in is determined to get out of capital which Lord Robens now with the prospect of government heavy engineering—most of holds out as a target for the grants.

Letters to the Editor

Floating charges

Sir.—May a simple bank clerk a a few simple points on Mr. rtiey's letter (February 23) which he deplores the gedly favoured position in a nidation of a bank holding a ating charge as against unaured trade creditors? There a of course, the well known ints that a business with trade editors will also itself be rting trade debtors, and ften these two items will pproximately match; that a ank is dealing with its epositors' money and owes em a duty to exercise rudence; and that frequently zed charges over specific assets njoy priority over a floating large, and in the event of a

iquidation leave precious little for anyone More fundamentally, however, we must consider the question if who finances whom and with that Of course, a business may lepend partly on its trade reditors, but who do these trade creditors in their turn, ook to for finance? Partly, of their own creditors (their epositors), and so the gument begins to move in a rcle—quite possibly an everminishing one with the invitable and unpleasant final onsequence! Mr. Hartley canfot claim, in his third paragraph hat, vis a vis banks and trade is editors one is not more valu-lible than the other (possibly rue) yet conclude his thesis

with a final paragraph referring io trade creditors as "... a part
if the commercial world upon which, after all, they depend to much greater extent than upon ecountant cannot have it both Last, and of most practical alue, every banker knows who,

a liquidation, or simply when ness is sticky, is the last, he very, very last, person to be aid if he doesn't have any tan't guess, the clue is that it is also the person who was the first to be approached for typis initially, probably before the business was even off the and at a time when it had

Martyn Allen io, Elmbridge

ld Harlow, Essex.

Foreclosing on a debenture

From Mr. J. Taylor Sir,—I was very interested to read Mr. Hartley's letter (February 23). I am, however, sur-prised that, as a self-confessed chartered accountant, he should have got the matter of a deben-

ture to a bank on its usual form

so wrong.
On a point of detail, the banks normal debenture consists of a fixed and floating charge, but I eccept that the part in which Mr. Hartley is interested; par-ficularly in view of a recent fiecision in respect of "Romaipa" is the floating charge and this Pfizer is the reason for his concern. Sir, With the greatest respect to his professional status, I beg to submit that his argument falls wn on at least two points. He lumping the outside trade credi- savings certificates

that this entitles a bank to some priority, particularly as the Many men refire early these money it puts out is the main days, either voluntarily or as a supporter of the stock and debresult of the numerous redundtors coming within its floating

generally speaking, debentures to the banks are given by small to medium sized companies. Bearing this in mind, I think ment age to 60, but it surely Mr. Hartley will find that in would not be impossibly expension, many cases the bank is sive to give men equality with the largest stakeholder in the women in being able to purchase business. This too, I suggest, these certificates at 60. The entitles it to some special treatmaximum limit per person is, ment.

J. Taylor Plonks Hill,

Nt. Guildford, Surrey.

Working capital

From Mr. J. Kirkham Sir,-Mr. Hartley's (February 23) on the "Romalpa" issue skates over a number of points which are important if the floating charge is to be assessed fairly. For the sake of brevity I shall dwell here on just one aspect of his letter; the sources of working capital of a business.

I would agree that for a good many companies the amount outstanding to trade suppliers at any one time is likely to be of a magnitude at least as great as short-term bank finance. But what Mr. Hartley fails to point out, and what he will be equally aware of, is that credit from trade suppliers will be obtained from many sources, which in aggregate might represent a substantial figure but indivi-dually do not. Indeed, if such were not the case and reliance were put on trade credit in large amounts from one or just a few suppliers, then I doubt that bank finance would

herently unstable company. A straight comparison therefore of amounts owed under different headings in company balance sheets is misleading, identical amounts of trade credit and bank finance disguising the fact that the bank will be far and away the largest creditor. And the creditor. furthermore, whose money will be in the company the longest, irrespective of "repayable on demand" clauses in bank facility letters, compared to trade creditors who will expect to see their money in four

forthcoming for such an in-

weeks or so. As the most substantial shortterm creditor why should the bank not seek to secure the money it lends? Or, with his natural rights and justice, does Mr. natural justice, does Mr. Hartley feel that banks have a "natural right" to lose more than others when a company J. W. Kirkham.

14, Pemble Close. Five Oak Green, Tonbridge, Kent.

Equality of the sexes

From the Pensions Manager,

Sir,-The news that the Government's early retirement 'job release" scheme is to run for another year points to the inexcusable inequity that exists falls into the common error of in the availability of retirement together and forgetting called Granny Bonds. They can

that the bank is a creditor also be purchased by women over 60. While the debate goes on at high and invariably the greatest whether working or not, but not level, private enterprise will be single creditor. I would submit by men below 65, even if they getting on with the job on the

ors coming within its floating ancy situations that arise, and already moving in on the harge.

this is added to by the Govern-London industrial park and I am sure, he will agree that, ment's heavily advertised "job where new jobs are being release" scheme. One can accept that the country cannot yet which are setting afford to lower the male retire- in the East End. after all, a fairly parsimonious

> The situation is highlighted for me by the position of two neighbours. In one house both The wife, aged 62 and earning £4,000 per annum, bas her maximum entitlement of retirement certificates. Next door the husband, who was made redundant six months ago at age 61, supports himself and his wife on unemployment pay. But he is not allowed to buy any.

> In the name of all that is sweet and reasonable in this country, why not?

Happenings in Newham

Sandiwch, Kent.

From Mr. J. O'Sullivan.
Sir,—With reference to your
"Whitehall docklands policy
attacked" report, February 22,
I suppose it is inevitable that monolithic Government agencies will wear several hats on such a contentious matter. These "hats" will ensure that most political influences will be satisfied — but few good com-mercial decisions will be made.

Running the buses

From Mr. P. White Sir,—Mr. J. A. Redwood's reply (February 15) to my

letter of February 13 continues

to reflect several misunder-

standings.

I did not say that your figures

regarding different types of

passengers (in Ian Hargreaves's article on February 1) were

wrong, but that Mr. Redwood

had interpreted them incor-rectly, by assuming that the

pensioners, young, and wives of

manual workers together came to no more than 20 per cent,

whereas pensioners alone often

account for this proportion. As

an example, one may consider

figures from the market analysis project (MAP) surveys of the

National Bus Company (which

were, I suspect, also the basis of those quoted by Ian Har-greaves). In the Hereford area,

some 18 per cent of passengers

were found to be over 60, 43

per cent from the age group

5-24, and 33 per cent women between the ages of 25 and 59.

Only 6 per cent of passengers

were men aged between 25 and 59. Broadly similar figures may

be found in other areas subject

to MAP surveys, such as Oxford-

shire. I did not myself advocate open-ended subsidies, but stated

that if one gave concessionary fares to these groups (as Mr. Redwood suggested in his original letter), then the great majority of passengers would be receiving concessionary fares,

in which case one might as well

give general support to keep

agree that peaks in

fares down.

Sir,—I was interested to read (February 21) that Clydebank

Achievements of Clydebank

O'Sullivan,

London, and which I look forward to seeing, as that is an area which was well known and

school (not work) trips which

cause the sharpest peaks out-side large urban areas, and thus

the issue of school transport

ing movements

mobility. The alternative is to severely reduce the mobility of many people at a time when many facilities such as shops are becoming more centralised

policy (role of contract buses giving "free" services, conces-sionary fares structure, etc.) remains critical. A sharp I did not suggest that central government should simply "make up for the lack of revenue received from county councils" which could involve increase in peak fares on stage services for school-children would cause considerable hardship, could lead to demand for more "free" contract services an open-ended operating sub-sidy, unrelated to local needs or operational efficiency, but that the Government could lift what (at high public cost), and greater use of cars by parents to take their children to school is in any case an unreasonable burden of about £12m per annum. In so doing it could (adding to peak congestion, plus dangerous turning and reversat school meet its own objectives in a far entrances). Regarding the simpler way than by prolonging work trips, most passengers should be able to pay a realistic disputes with counties such as Oxfordshire. Mr. Redwood suggests that bus companies fare, but some bias now existing in favour of car use needs to be operate commercially, but what removed (losses on publiclycommercial business would run operated parking facilities; the with all its capital treated as a inability for an employer to offer easily a tax-free public repayable fixed-interest debt, added to which are capitalised transport allowance to compare operating losses imposed as a with non-wage benefits such as free parking at the workplace, government policies? Transport policy of counties also involves more than the role of bus comand provision of company cars, Mr. Redwood talks about prepanies in isolation (although " commercial serving routes "even when the approach, as reflected in MAP, people who once used them may certainly makes a good base for county/operator relationships) now own cars" (my emphasis). There is certainly no question of preserving routes unchanged for given the statutory responsibilities for school transport, health facilities, etc. It is vital to plan the sake of so doing, but a need to preserve access to facilities for these as a whole if value for (shops, chemists, etc.)—it is money from public expenditure on transport is to be obtained. only some, not all, passengers who have obtained use of cars. Peter R. White.

As I pointed out, support to (Senior Lecturer in Public Transport Systems) conventional bus services (operated in an efficient manner) is Polytechnic of Central London, demand cause many of the often the most cost effective problems. It is often, however, means of providing such

GENERAL
UK: Trades Union Congress
general council meets, Congress

House, London.

Meeting of Labour Party
national executive committee, Transport House, London. Civil servants' strike action

starts at Stock Exchange. Speakers at Labour Party referendum meetings — Mr. Michael Foot, Tredegar, and Lord Elwyn-Jones and Mr. Barry

Jones, Rhyl.

Confederation of British Industry conference on OPEC after the Boom—Where are the Markets Now?, 21 Tothill Street,

Today's Events Dr. A. W. Pearce, chairman,

Esso Petroleum, addresses con-ference on World Energy Economies, Inn on the Park, W1. Mr. Nigel Foulkes, chairman, Civil Aviation Authority, is chief guest and speaker at Aerodrome Owners Association annual dinner, Royal Lancaster Hotel,

Overseas: President Giscard d'Estaing of France arrives in Mexico on official four-day visit. Second day of talks between r. David Owen, UK Foreign

Secretary, and Herr Hans-

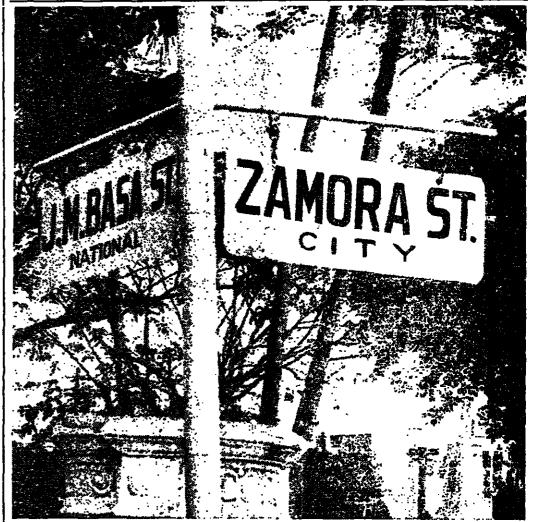
Dr. David Owen,

Dietrich Genscher, his West German counterpart, Bonn. Hong Kong Budget.

Indian Budget. COMPANY RESULTS

Final dividends: Barnagore Jute Factory. Interim dividends: Australian and International Trust. Challenge Corporation. George Ewer, Raine Engineering, COMPANY MEETINGS

Associated Sprayers, Plume Street, Birmingham, 12, M and G Group, Three Quays, Tower Hill, EC, 2.30. J. F. Nash, Chamber of Commerce. Harborne Road, Birmingham, 12. Reliant Motor, Chamber of Commerce,



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First, we will handle your business directly between one of our U.K. branches and one of our branches in the Republic. Straight away this will save

Secondly, by using a British bank that is really established in the Philippines we shall understand your business at both ends, and give you the benefit of our experience all along the line. Ask Keith Skinner about your Philippines business today on 01-623 7500.



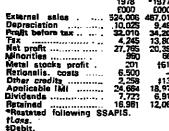
ENCOURAGING progress in many parts of IMI was offset by poor results from zip fasteners and to a lesser extent from Eley ammunition and taxable profit slipped from £34.2m to £32.01m in the year ended December 31.

At midway, profits had fallen from £18m to £15.7m.
Sales of the Birmingham-based group exceeded £500m for the first time, rising by 12 per cent from £467.025m to £524.01m.

As usual, the group is reserving its comments on the outlook for the current year, but Mr. Eric Swainson, managing director, said the year had started badly because of the impact in January of the industrial disputes and the

The 1978 profit includes a loss of 20.7m (£0.3m) from the change in value of the net current assets of overseas subsidiaries due to changes in exchange rates. Also included is the share of major associates profits of £1.9m

extraordinary items are shown at 13.9p against 9.2p and 11.Sp



HIGHLIGHTS

Dramatic price increases were seen in the gilt edged market yesterday and Lex considers the Government's dilemma in responding to a run-away market. Elsewhere three big and varied companies have reported their results. National Westminster Bank enjoyed a humper second half as interest rates shot up and there is a further release of bad debt provisions. Commercial Union's profits are up and a modest rise is on the cards for next year. Meanwhile, on the industrial scene IMI reports generally good business but margins have been under pressure and a sharp setback in the zip market leaves full year profits lower. Grindlays disappointed the market yesterday, profits were below expectations and the dividend is just 10 per ent higher. Meanwhile Lasmo continues to make losses but light is appearing at the end of the tunnel.

isation of production facilities to further end of the year.

The directors estimate that inflation adjustments on a CCA basis would reduce pre-tax profits to some £20m Sir Michael Clapham, chair-

man, says the group was unable (9.1p) after, such stems. The final dividend is 2.00355p making in export markets. Strong a maximum permitted total of a maximum permitted total of strong demand had continued for copper tube throughout the year largely as a result of the surge The to maintain margins, particularly per tube throughout the year largely as a result of the surge in the bome improvement

The sporting ammunition had a poor year with demand lower 1618 France and Germany. zip fastener operation prices were inadequate as markets were

reduced by further import pene-tration of finished clothing. Numbers employed in Europe Extraordinary items in the were cut by about 1,200 at con-year include £6.5in for rational-siderable cost. "Nevertheless

retrenchment effect structural changes in diffi- rationalisation will be necessary cult trading areas. Of this, to restore acceptable performance 2700,000 had been spent by the in the permanently contracted market open to us."

IMI spent about £19m on fixed assets last year, an increase of £4m. Of this £16.5m was in the UK compared with £12.5m in the previous year. Current year capital spending is expected to be a little more than £20m. Cash generated amounted to

The group also announces the formation of a new company, IMI

deputy chairman.

£40m, but there was a shortfall in requirements of £10m which was covered by short-term

than expected and increased and intense competition largely from interests and involvement in the rance and Germany.

Sir Michael says that in the manufacture of the equipment required for dispensing drinks. Chairman of the new company is Mr. R. Amos, an executive director of IML Mr. R. S. Spencer has been appointed

Empire Plantations net loss

say the directors of Empire yet received remittances in res-Plantations and Investments pect of that period at all, he innouncing an attributable loss of £28,000 compared with

The final dividend of 1.32p per share in respect of 1976.77 is to be paid on April 2, 1979. Stated earnings per 10p share 17 months after payment of the however, fell from 3.980 to 2.08p interim for the same year. Dividends of 1.98p (1.98p) have been tax result to be most satisfactor; declared for 1977/78 though no in view of trading conditions in date for payment has been set, the tea industry in the latter Mr. Michael Slocock, a director of Empire, said yesterday that the payment date of the final for 1976/77 "reflected the date on which the remittance for

added. Turnover for the March 31

1978 year rose to £3.03m (£2.71m and pre-tax profits were slightly improved from £1.02m to £1.08m The directors consider the prepart of the year. Trading profits from the group's Indian tea estates cose 19 per cent to Trading in the current year

THE DELAY in publishing the the reevant year was received in has been satisfactory although 1977/78 results has been caused London." Most other tea com- the level of profitability conby the process of Indianisation, panies operating in India had not tinues to suffer from low tea prices. The outcome for the year will depend on trends in auction

j		1977-78 £000	1976-77 £000
, , , , , , , , , , , , , , , , , , ,	Tismovar Trading profit Exchange loss Share of assocs profit Profit before tax Overseas tax Extraord debits Minority interests Attributable loss Brought boward Preference dividends Profit, † Primerily	3,028 857 48 265 1,084 806 82 1159 65 28 315 8	2,707 729 *18 267 1,015 678 93 29 *214 225 8 117
_	loss as a result o	of India	niŝation

National V▲ Westminster Bank

GROUP RESULTS FOR 1978

Pre-tax Profits £297 million

Total assets at end of year £22,000 million exceed

After paying:

- Salaries and other staff costs including a share of the profits
- Interest on funds lodged with us
- Other running costs of the business

THE PROFIT WE EARNED WAS £297 million

Out of this we provide:

TAXATION

£112 million

DIVIDENDS TO OVER

108,000 SHAREHOLDERS

£29 million

and after minor adjustments of £3 million **WE KEEP IN OUR BUSINESS** £153 million

- to improve our service to all our Group customers
- to help finance the growth of our world-wide business
- to help keep our capital resources abreast of inflation

CU tops £142m. after underwriting recovery

Inflation Board regulations.

and an execulent marine and

aviation profit for the 1976 underwriting year closed at the end of 1978.

Investment income showed an

increase of 12 per cent. After allowing for the effect of changes in rates of exchange, the increase of 12 per cent.

underwriting result was the major factor in Commercial Union Assurance Company lift-ing pre-tax profits from £99.8m to £142.2m in 1978.

At the halfway stage, the group was ahead from £38.2m to £64.2m and had climbed to £101.1m at nine months compared with £66.7m.

The underwriting result followed a profitable third and fourth quarter and was reached after a release of £2.4m from the extreme weather provision.
World wide premium income

in sterling terms showed an increase of 3 per cent to £1.1bn. But allowing for the effect of changes in rates of exchange. the growth in premium income was 5.5 per cent.

was 5.5 per cent.

Barnings per 25p share are shown at 21.37p against 19.4p. The final dividend is 5.673p making a total of 8.536p compared with 7.722p.

In the UK, the improvement

in underwriting continued, partly due to the effect of the lower rate of inflation on claims costs. The underwriting profit in the U.S. increased with improved claims experience in most classes However, except for workers' compensation business, premium

rate increases were more difficult to achieve due to growing competition. The statutory operating ratio for 1973 was 98.5 per cent compared with 98.2 per cent in 1977.

A RECOVERY from losses of In Australia intense competitive state in 1977, the underlying issue in 1977, the underlying underwriting result was the conditions caused the under-increase was 10 per cent. writing result to deteriorate. In A spokesman for the group Canada there was again a small said yesterday that CU had underwriting profit and directors estimate that there will be no

be greater than those experience suffered substantial losses so far this year as a result of material amount of excess revenue to be refunded to policyholders under the Antiweather in the UK. They could be greater than those experienced in the early months The underwriting loss in the

Netherlands was appreciably lower than in 1977 with the He added that the group had made a small profit on its UK motor account, in particular motor account last year. Further benefiting from premium rate rate increases were inevitable, increases and the effect of lower stick to a 12-month gap between The marked improvement in the result for the rest of the rises rather than taking two bites at the cherry. world arose from better experi-ence in a number of territories

The group was expecting that its U.S. underwriting results would deteriorate in 1979, hope that the decline would not be too steep. Motor rate increases were very difficult to come by, and the CU's operating ratio on this account last year had deteriorated from 96.5 to 99.7

However the workers compensation business was still recovering he said. The operating ratio had improved from 109.7 to 103.8

Commercial Union was still on a recovery tack in Holland, the spokesman continued. Taking in life profits and investment income, profits in this territory had all but doubled to £16.2m in

Grindlays improves to £37m after lower debt provision

ings group for the year 1978, following a first balf rise from £15.62m to £18.98m. The result

owned subsidiary Grindlays Bank showed a rise from £30.64m to £37.19m. Mr. N. J. Robson, chair-£37.19m. Mr. N. J. Robson, chair-man, explains that currency attributable to Grindlays Hold-fluctuations have again affected incs comes out at £11.28m comthe results and there has been a net disadvantage of around £1.8m mainly incurred during the second half (£1.6m). The profit is subject to tax of £15.4m which again almost entirely relates to tay in countries overseas.

Referring to changes in account-

hy the clearing banks, the chair-man points out that sometof their proposals were implemented by the groun several vears sen. ontinue this year with the exist.

to provisions for doubtful debts and to mortique to study possible The amount of debt provision

ISSUE NEWS

£37.23m in profit, before tax, is and loss based on the actual reported by the Grindlays Hold-experience of the year in 1978 was £5.8m (£11.8m). Mr. Rohson explains that this reduced charge includes some recoveries mainly was struck after a debt provision from property loans made some halved to £5.8m.

Profits of the 51 per cent extent reflects improved lending systems and credit administra-

> pared with £8.34m and earnings per 25p share are stated to be up from 24.5p to 31.7p. The dividend is increased from 2.75n, to 3.07n with a final of 2.07n. Grindlays Bank has

declared dividends for the year cf *2.1m. The profit attributable to Grindlavs Bank holders amounts

increased from £48.3m to £68.3m.

totalled

The Grindlays Holdings' share price shot up from 117p to 133p in the two trading days prior to the preliminary results on the hope that either the profits would be better than expected or that the dividend might be jacked up by a large amount. In the event profits' growth is dis-appointing, with a £6.6m increase at the pre-tax level for Grindlays Bank being largely accounted for by a £6m reduction in the charge for bad debts, and the dividend is only increased by 10 per cent. Consequently, the shares fell back to 126p yesterday where a yield of 3.6 per cent Grindlevs Bank holders amounts is covered over ten times. The fig. \$22.07m compared with figree competition in inter\$16.25m and earnings per share national banking is biting into margins and Grindley's total advances rose by only 3 per cent. \$20m (£14.4m) to reserves, which the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the first part of the far East seems to be doing the far East part of the far East seems to be doing the far East part of the fa well, the Middle East is flat and

group capital resources amounted frindlars' top prior'ty seems to to £128.2m (£108.6m). Group deposits at December 31, 1978, Funds which now stand at around stood at £2.830n (£2.650n) while £35m via heavy retentions.

Lee Valley pref. offer at £97

offering for sale by tender £2.5m franked income, the effective of 8 per cent Redeemable Pre- return of more than 17 per cent of 8 per cent Redeemable Pre-ference Stock, 1986 at a minimum tender price of £97 per cent.

The price is one point lower than the three previous water company issues from Mid Southern (£5m), Mid Kent (£3m) and Coyne Valley £3.5m). Lee Valley's stock will be redeemed at par on March 31, 1986. It is payable as to £10 per cent on application by 11 am on March 6 with the balance due before March 30. Tenders must be for a minimum of £100 stock and above that in multiples of

The first dividend, amounting to £4.0745, will be payable on October 1, 1979. Thereafter payments will be made half yearly on April 1 and October 1. Brokers to the issue are Seymour Pierce and Co.

The volatile conditions in the gilt edged market makes it merits of the latest water issue from Lee Valley. In addition, comparisons are difficult as Lee Valley has pitched its terms over seven years, compared with five-year periods by other water companies recently. For those

looks very attractive. For ordinary taxpayers, it does not look so exciting, although the flat yield of 12.31 per cent, and 12.6 per cent to redemption, is slightly better than the return on seven year gilts. As usual, much will depend on what government stocks do over the next week, but based on yester-day's prices prospective buyers will probably have to pitch their tenders up to two points above the minimum price of £97 per

Yearlings still falling

Interest rates on local authority loans continued to fall from the peak of 133 per cent that existed just a fortnight ago. This week's issues carry a rate of 12 per cent and are issued at par.

The issues, which mature on March 5, 1980, are: London Borough of Enfield (film), Tunbridge Wells Borough Council (£250,000), London Borough of Hillingdon (film), London Borough of Hounslow (£500,060), London Borough of Wandsworth

Hirst & Mallinson rights

home and abroad. in particular the proceeds will

be used to buy a freehold pro-perty in Bradford, leasehold properties in Blackpool and Kendal, and related plant, equipment and stocks to augment the existing catering equipment distribution business in the UK. The purchase, for a total price

of £340,000 (excluding VAT), has already been completed.

The rights issue is on the basis of three-for-10 at 33p per share, involving the alloiment of 1:19m new ordinary shares.

The directors propose to pay dividends totalling 2.6p net on the increased capital for the year

ending November 3, 1979, com-

pared with 2p last time.

Hirst and Mailinson is raising The rights issue has been 5393,000 by way of rights to underwritten by Charterhouse finance further growth both at Japhet and brokers are Fielding. Apart from catering equipment

the company's business includes pharmaceuticals, textiles and For the year ended October 28,

1978. Hirst and Mathinson increased its pre-tax profits by 35 per-cent to 5445,100.

MONTFORT RESULT

Only half of Monifort (Knitting Muls) rights issue, raising \$400,000, has been taken up by shareholders. The 50.1 per cent of the offer not accepted was sold in the market at a net price of 58p per share—equal to the rights price.

ALAHLI BANK OF KUWAIT (K.S.C.) US\$ 25,000,000 Floating Rate Notes due 1983

1979, to August 22, 1979, (each day inclusive). The amount of interest per bond of U.S.\$1,000 denomination is U.S.\$56.56, payable on August 23, 1979.

The rate of interest of the Notes has been fixed at 111%

per annum for the interest period running from February 23,

Lee Valley Water Company is able to take advantage of (£500,000). Metropolitan Borough ffering for sale by tender £2.5m franked income, the effective of Rotherham (£500,000). f 8 per cent Redeemable Pre- return of more than 17 per cent Cheshire County Council (£1.5m), Castle Morpeth District Council (£500,000), Ettrick and Lauderdale District Council (£250,000), Middlesbrough Borough Council (£500,000). Borough Cherwell

(£500,000), London Borough of Lambeth (£1m), Stirling District Council (£500,000), Arun District Council (£250,000), Chester-Le-Street District Council Street (£250,000). (£250,000), Lanark District with a debit of Council (£500,000), Test Valley and minorities. District Council (£250,000), County Council Council
County Council
City of Durham
Mansfield District
Lichfield Borough (£250,000), District Council (£250,000), Macclesfield Borough Council (£400,000), North Wiltshire District Council (£250,000), and East Hampshire District Council (£500,000)

District

(£500,000). The Metropolitan Borough of Solihuli is raising £250,000 by way of a variable rate bond maturing on February 22, 1984. Vale Royal District Council has

raised £1m by the issue of 131 per cent bonds dated February 22, 1984, at par.

DIVIDENDE ANNOUNCED

DIVIDE	ND2	AINIM	ノレバモ	LU	· · · · · · · · · · · · · · · · · · ·
	Current	Date of	Corre-		Tetui Just
	tevment	payment			Year
T. F. & J. H. Braine		April 18	2.33	3.72	3.33
Commercial Union	5.67	May 17	5,15	8.54	7.72
First Scottish Am	2.15		1.85	3.15	2.85
Grindiays	2.07	April 10	1.75	3.07	T) Res - create
IMI	9	-April 20	8.1	3.68	3.43
International lat.		April 4	1.17	- 87 (64 -	5.72
Investing In Success	2.44	April 25	2.11	3 35 -	7.0
Jos Holdingsint	0.88	April 4	0.8	-	A3
Metalrax			-0.63	1.35	*1 MR
Mt. Charlotte		July 2			
Nat. Westminster	7.15	April 3	6.32	12.83	11.19
Western Min. Cp. Link	9 '	Anti 28	1.5		5 . [
Widhouse & Rizson		April 30	1.16	2 32	2.37
A GUORNE OF MINSON					
Dividends shown pence i	er sprie	net excep	f Muleto (mictai	SU BLERGE
Edniasient ster	Smowing	tor ser	ib testic	7-2/E	- CERTIFIE
increased by rights and	\ot •scdm	51000 iss	7162" I t	raettan	an capita

Woodhouse & Rixson rises to £459,000

WITH SECOND half profits higher at £139,000 against £45,000, Weedhouse and Rixson (Roldings) finished 1978 shead from £196,000 to £459,000 pretax, on turnover of £13,07m hald for the purpose of £50,000 and the first state of Board meetings to the £15 and the first state of Board meetings to the £15 and the first state of £50,000 and £50,000 After a tax charge of £91,000 (£16,000 credit) and a £187,000 extraordinary credit compared with a £918,000 debit last time. there was a turnround from a deficit of £706,000 to a net

surplus of £555,000.

The dividend total is maintained at 2.31806p net per 124p share, with a final payment of 1.15903p (same).

The directors say that in view of the considerable disruotion to normal activity caused by the road haulage strike it is extremely difficult to forecast trends in the demand for engineering products in 1979. and, thus, the group's likely

However, they are confident that the group enters the year in a strengthened position to derive maximum benefit from whatever apportunities occur. A revaluation of properties at September 4. 1928, showed a 1711,000 surplus which has been added to reserved. The surplus on the previous revaluation realised in 1978 of £100,000 bas been deducted from reserves.

Gnodwill arising on the acquisition of Wicker Wire Products of £137,000 has also been deducted from reserves.
The group produces steel forgings, rolled steel rings, etc.

Biagden and Noakes Harris and Sheldon Frust of Guernsey changed substantially from the previous year, when production was barely equal to that achieved during the three low week in 1974. The only by let appear to the meaniful was that the spon to the results was that 15" doggings side, the main probably did a little better than the industrial steamer. Elsewhere, the of

PUTURE DATES

strike hit demand for spr nas its tall on profits from special trailers. The market for flar ics is still very flat but now that the Belgium operation is closed. prospects in this division look a little brighter. Overall, however. Adjusting for the Belgian wide-ranging consequences so it losses. Weedhouse and Rizzon's hight be difficult for the groun full-year profits show only a nine to make much headway in the ner cent rise at the trading current year. At 29 ip the shares level. Business has been tough vield 122 per cent—nearly in all divisions and has not twice the sector average.

Mt. Charlotte advances to record £855,000

RECORD profits, as expected, of ring allowance on such improve-Turnover advanced from £8.1m

to £9.41m. The year's profits were struck interest of £252,000 (£284,000) but were before a tax credit of £4,000 (£30,000 charge). Earnings are shown as 2,62p (1.5p) per 30p share and the divided is increased from 0.4949p to 0.5539 net, the maximum permitted.

The tax figure for the year has been reduced by the utilisation

of losses brought forward, by the excess of capital allowances over the corresponding depreciation and by stock appreciation relief. The attributable balence was stepped up to fim (\$481.000) after an ettraordinary credit for the period of \$147.000 compared with a debit of \$5,000 last time, and minustrate.

comment

A fully taxed historic p/e of 20.8 and a yield of 3.2 per cent in Mount Charlotte is an indication of the speculative froth that has built up among the smaller constituents of the hotels sector. Mount Charlotte, nevertheless, still has a good deal of growth potential since the arithmetic of upgrading many of its 1,600 hotel rooms looks particularly attractive. Local tourist boards offer grants of up to 30 per cent of grants of up to 30 per cent of construction costs for the addition of a bathroom while the last Budget introduced a 24 per cent capital allowance followed by a 4 per cent recur-

ESSE,000 are reported by the ments. The group is corrently directors of Mount Charlette committed to upgrade 120 bed-Investments for 1978 against a rooms in this way and there ments in a further 200 rooms in a programme which is expected to run until 1984. Given that the addition of a bathroom in a locality such as Glasgow can almost double the going tariti. Mount Charlotte is confident of its medium term profits neces Furthermore, much of that upturn should be reflected in earnings in view of the available tax incentives and the outstanding £250,000 of grown-Ip vesterday to 261p but, in the light of the high cost of pave hotel construction, the margin for improving Mount Charlette's average 60 per cent occurrisrate and the current tax advantariffs it would be surprising it this setback developed into a

Bad weather hits Nottingham Brick

At the annual meeting of Nottingham Brick Mr. David Crane, chairman, said the appalling weather had resulted in loss of production and deliveries for the company, and that had affected current profitability.

However, the order book remained satisfactory and the company was in a strong position financially, he said.

This announcement appears as a matter of record only

FABRICA DE MOTOCICLETAS DE VENEZUELA S.A.

US\$ 8,503,657.67 Medium Term Loan

Guaranteed by

Corporación Venezolana de Fomento

Samuel Montagu & Co. Limited

European Banking Company Limited Italian International Bank Limited Mercantile Trust Company N.A. Samuel Montagu & Co. Limited

> Agent Bank Samuel Montagu & Co. Limited

> > February 1979

July Day of July 12 641

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Caledonian recommends 150p offer from Comet

BY ARNOLD KRANSDORFF

The highest price paid by
-Last night Caledonian's share Comet in the market was 130p

After slowly building up its LMI, which holds nearly 30 per jewellery division but says that in a recommended takeover in a recommended takeover yesterday's offer is for the orth 150p a share.

This compares with a previous id from Lendon and Midland dustrials worth around 132p a three Caledonian shares.

The compares with a previous by Comet, on the basis of one comet share plus £3.50 for every three Caledonian shares.

Last night Caledonian's share
rice closed 10p higher at 141p,
hich values the company at
hich values the company at
this figure will be provided.
Comet says that an
least alternative in excess of
this figure will be provided.
Comet says that it intends to
expand and develop Caledonian's
haledonian's flotation value of
home improvement division
which, in 1977-78, contributed
first over a quarter of the group's
profits. The company envisages
no change in the existing operation or management style of the

take to nearly 25 per cent, Comet cent of Caledonian, put in an it would not be the intention to tadiovision Services has finally increased bid. hosiery divisions as long-term investments.

A disposal of these divisions would, however, only be made on the basis that the purchaser was "a more logical partner and appropriate assurances regarding future employment and well-being of staff were received." The directors of Caledonian have obtained assurances from Comet that the employees will be

than thosenjoyed. those presently Upon the offer becoming un-conditional, Mr. W. R. Burns and

retained on terms no less favour-

Prust revises Guthrie net assets

Laurence Prust, the leading Instation sector stockbroking rm, has radically revised its aluation of Guthrie Corporation hich it made only 5 weeks go. The net assets of Guthrie re 515p per share, says Prust of 430p per share which it was aying in January.

Corporation of Guthrie Corporation of Guthrie shares rose 30p to 473p.

The same of the leading last changed hands in reasonable parcels. Prices of palm oil and rubber have risen in the meantime. The prust's revised valuation was issued on Monday, the day that Guthrie's shares rose 30p to 473p.

The same of the leading last changed hands in reasonable parcels. Prices of palm oil and rubber have risen in the meantime. The properties of the parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime. The parcels of palm oil and rubber have risen in the meantime.

Guthrie Corporation is urrently the subject of a 425p jarby Holdings.

The revision has been made a the light of Guthrle's defence gainst the bid. Guthrle valued hree of its plantation estates on he basis of their property deve-opment potential instead of just

grust does not value the rest BOC is the leader in develop-f the estates as highly as C. H. ment of PSA technology, with yilliams, Guthrie's valuer does. experience of building plants for hat its own valuation of the rest the estates might be con-ered "conservative."

485p yesterday. Mr. James Scott, the chief executive of Sime Darby returned to London last Friday.

BOC DEAL IN JAPAN

An agreement has recently been concluded between Ishikawajima-Harima Heavy In-dustries Company and BOC, that agricultural use. Prust dustries Company and BOC, that are the valuation, although high or agricultural purposes employing Pressure - Swing appears to us to be entirely Adsorption technology, manusized by BOC.

factured by BOC.

Our rule of thumb values are water treatment applications in 116.250 ordinary shares.

from UK through Nichimen Com-pany. A demonstration plant will be imported by IHI in the near future and sales will commence immediately.

PETER PAN SHARES SUSPENDED

Shares of Peter Pan Bakeries were suspended yesterday at 40p. which valued the group at about £219,000. The suspension was made at the company's request pending clarification of its finan-

cial position. In the group's last report and accounts, for the financial year ending March 31, 1978, the group showed losses of £13,422, com-pared with £12,683. Net assets were about 49p a share.

J. E. ENGLAND

The directors of J. E. England yniams, during valuer does. experience of building plants for the interest of Guthrie's production of oxygen, nitrogen, and Sons (Weilington) state ital net assets is still well below argon, carbon monoxide, hydrothat the holding of 258,250 is 62Sp. per share, which gen, nitrous oxide, etc., using ordinary shares (5.125 per cent) in the claims. But Prust says this technology. this technology.

This will be the exclusive discriment by Brownstyle on tributor for BOC oxygen PSA. August 23 last year and that plants to be used for waste. Brownstyle have since sold

Year ended

IMI 1978 Results

(restated)			£000
467,016	Group sales to external customers		524,006
34,201	Group profit before taxation		32,010
13,808	Taxation		4,245
18,976	Earnings after tax applicable to IMI		24,684
6,916	Dividends	-	7,723
228 700	Net tangible assets		237,502

1. The Group's policy in respect of deferred tax has been changed to comply with SSAP 15 and the comparative figures for 1977 have been altered accordingly.

2. No provision is now considered necessary for deferred tax on capital allowances and the existing provision has been transferred to reserves. Since stock values can be affected by factors outside our control, perticularly commodity prices, full provision continues to be made for deferred tax on stock relief apart from that component in respect of which the Government has given assurance that relief will not be withdrawn. As a result the tax charge for 1978 is after crediting £3.1 million movement in the deferred tax provision for stock appreciation relief.

3. Group profit before taxation includes a loss of £0.7 million (1977: £0.3 million) in respect of the change in value of the net current assets of overseas subsidiaries due to changes in exchange rates.

Provision has been made for the payment of a bonus of £2.0 million (1977: £2.1 million) to employees participating in the IMI profit sharing scheme.

5. The Group's share of the profits, less losses, of major associated companies amounting to £1.9 million (1977; £3.1 million) has been included in the Group

 Earnings after tax applicable to IMI is after charging extraordinary items of £4.2, million (1977: £0.1 million). These include £6.5 million for rationalisation of production facilities in order to effect structural changes in difficult trading areas. Of this amount, £0.7 million had been spent by the year end.

7. It is estimated that inflation adjustments on a CCA basis would reduce profit before taxation to approximately £20 million (1977; £20 million).

Dividends

The Directors recommend a final dividend of 2.00355p per ordinary share, payable on 20 April 1979 to shareholders on the Register at the close of business on 23 March 1979, which will absorb £4,175,000 (1977: £3,739,000). Together with the interim dividend of 1.675p per share paid on 27 October 1978 this makes a total of 3.67855p per share (1977: 3.32141p per share). This is the meximum permitted under current counter-inflation legislation.

Brief Review of Activities Sales for the first time exceeded £500 million and exports to external customers rose to just under £100 million. Turnover was 12% higher than in 1977. After eliminating the effects of general inflation and metal prices volume is estimated to have increased by about 5%.

Encouraging progress made in many parts of the Company was offset by poor results from our zip fastener companies, which experienced difficult trading conditions leading to losses in some countries and reduced profits in others.

Increased profits were derived from building products, due primarily to our ability to respond to a strong demand from the home improvement market for tube, fittings, cylinders and water heaters. Our fluid power, heat exchange and special valve activities also did well, at home and overseas.

There was an encouraging growth in demand for titanium in aerospace, which promises well for the future. Better productivity enabled higher sales and profits to be made from copper refining despite depressed scrap margins. Copper semis activities had a static year overall in which it was not possible fully to recover increases in employment costs.

Building Products Fluid Power **Zip Fasteners**

Heat Exchange General Engineering Refined and Wrought Metals

IMI Limited, Kynoch Works, Witton, Birmingham B6 7BA

Ferguson raises stake in Breedon to 8.7%

Ferguson Industrial Holdings is building up its stake in circular to shareholders giving Breedon and Cloud Hill Line full details, and shareholders' works. Last week it purchased approval will be sought at an 120,000 shares and now holds extraordinary meeting which is calculated in the third week of 354,300 shares, 8.7 per cent of the

group's equity. The company secretary of Ferguson confirmed yesterday that the group had been buying shares for some time in Breedon. He would not comment on whether the group might whether the group might eventually emerge as a bidder

for Breedon. On the Stock Exchange yesterday Breedon's shares rose 4p to 134p which values the group at £5.4m. In Breedon's last balance sheet for the year ending January 31, 1978 there were net assets of 46.9p a share.

FITZROY TO REORGANISE

Fitzroy Investment, the invest-building and engineering group, yesterday asked for its shares to be suspended pending the aunouncement of a major reaunouncement ot a major re-organisation within the group. Fittroy's shares were sus-pended at 20p which values the group at £832,000.

The anouncement came just shortly after Fitzroy revealed that it had sold Graysim Hold-ings with all its open air markets and certain market halls in a deal worth £220,000 in cash.

There is an earnings related payment maximum of £28,000 and a minimum of £13,000 per annum for five years. The book value of the properties at September 30, 1978 was £195.000 and profit for a fifteen month period was about £20,000.

scheduled in the third week of

ARMITAGE SHANKS DATE EXTENDED

The proposed merger of H. and R. Johnson-Richards Thes and Armitage Shanks has been accepted so far by holders of 18 per cent of Johnson-Richards' ordinary shares and 35 per cent of the Preference. Holders of 39 per cent of Armitage Shanks have also accepted the offer which is now to be extended to March 12.

The rival offer by Norcros for Johnson-Richards is currently due to close on the same date. due to close on the same date.

The extension of acceptance period has been made "to allow the Johnson-Richards shareholders to evaluate the Norcros offer in the light of Johnson-Richards' response, which will be posted to Johnson-Richards' extensively. posted to Johnso shareholders shortly."

CATTLE'S LOOKS TO LONGER TERM Prospects for the rest of the year are bound to be depressed

because of the rapid increase in interest rates writes Mr. R. Wauby, chairman of Cattle's (Holdings) in a circular to shareholders about the proposed

But Mr. Wanby says that the long term prospects of the com-

plan Fitzroy intends to send a into Wales and the South West circular to shareholders giving of England, he says. The directors are seeking

shareholders approval for the acquisition because of the qualification which our report-ing accountants have made in their report (on Premier)." The meeting will be held in Hull on March 15.

AMALGAMATED

ESTATES
Mr. L. Phillips has sold a further 225,000 ordinary shares in Amalgamated Estates through Dawhurst properties, a company owned and controlled by Mr. Phillips. He now holds 7.24 per cent of the ordinary capital. Mr. F. Phillips has sold a further 23,000 ordinary shares in Amalgamated through Suburban and City Investments, a company con-trolled by Mr. Phillips who now holds 26.8 per cent of the capital.

REX STEWART Ownership and control of Rex Stewart and Associates, the £20m turnover UK advertising group, has been passed to a trust. Mr. George Stewart, chairman, says the move is necessary to secure

ne company's future. As majority shareholders, Mr and Mrs. Stewart have trans-ferred by gift their total holding in the private company of Rex Stewart and Associates to a directors' and employees' trust.

INTEREUROPEAN Associated Communications Corporation has purchased 100,000 shares at 86p inInter-

pany would be improved by the european Property, bringing its acquisition. Premier provides a holding up to 57.3 per cent of the unique opportunity to expand capital.

the new re-organisation B'ham Mint explains sale

Coin and medallion minting Wereldhave has promised to congroup Birmingham Mint is solidate EPC's independent 20 receiving a total of about per cent holding in Trizec, £850,000 from the sale of its Mint Canada's second largest quoted Securicor Group.

Mint Security was formed in March 1972 as a wholly-owned subsidiary of the Birmingham Mint to supply security guard

In his letter to shareholders explaining the sale, Dr. B. J. A. Bard, chairman of Birmingham Mint, says that the rapid growth and success of Mint Security in the market was accompanied by an unprecedented escalation in criminal violence against security transport operators during 1978. "A smaller company such as Mint Security, which could not achieve the same spread of risk as the larger operators, was likely to find it increasingly difficult to obtain adequate insurance cover at an economic cost. In order to obtain such cover, it was also evident that

necessary for the same level of With an increased financial Assurance commitment looming for the its holding further development of Mint per cent).

Security, the Board took the Hastemer

further considerable investment

in protective equipment was

decision to sell. In addition to the sale proceeds, Birmingham Mint will receive any ultimate benefit of an insurance claim amounting to £83,371 which is subject to litigation and for which full provision was made in the accounts for the year ending April 1, 1978.

April 1, 1976.
The cash consideration of 1850,000 exceeds the annia and of the asset transfer and are the first transfer and annia and are the first transfer and are the first transfe the year to March 31 1070

WERELDHAVE/EPC English Property Corpora-tion's shares rose to 62p yester day before settling back to 61-p, still 1-p above the highest and latest offer from Olympia and York, the private Canadian

company.
The key question now i whether Wereldhave, the Dutch suitor, will come back with another bid supported by the cash it is due to receive from the Bronfman brothers in its deal over Trizec. The Bronfmans have agreed to

pay Wereldhave a substantial premium over market price for the 10 per cent of Trizec which Wereldhave is promising to relinquish if it gets control of EPC. The figure is thought to be between CS\$35m (£15m) and C\$40m (£17m). Full details of the agreement have not been released, but

wereidhave has promised to consolidate EPC's independent 20 February 23.
per cent holding in Trizec,
Canada's second largest quoted
property company, into Canada Security company to Security property company, into Carena Services, the quoted subsidiary of Properties. Carena is 51 per Securicor Group. and helds 60 per cent of Trizec. EPC has 49 per cent of Carena.

The Wereldhave / Bronfman deal, therefore, effectively reduces EPC's present 50 per cent-holding in Trizec to 40 per cent. However, under the present state of affairs, EPC's half share does not give it voting control of Trizac. The proposed deal be-tween the Bronfmans and Wereldhave includes a pact to

share the management control. This, claims Morgan Grenfell, Wereldhave's advisers, "unlocks control of Trizec" and makes it much more valuable to the owner of EPC.

SHARE STAKES

Broadstone Investment Trust and Manchester bas increased its o 1,193,166 shares to -London Assurance has holding from 1.1 1,339,332 (10 per cent).

Group Investors—Sun Life Assurance Society has increased its holding to 600,000 shares (9.03

Cook, director, has sold 2,346 preference and 28,463 ordinary

Croshy House Group-Jazerite Holdings has become interested in £53,330 10 per cent convertible unsecured loan stock and 2,750 ordinary shares making total holdings £64,338 loan stock and 5.750 ordinary shares. Sedgwick Forbes Bland Payne

Group-Midland Bank now has an interest in 88m shares (41.84 per cent).

Magnolia Group (Mouldings)— Royal Exchange Trustee Nominees has acquired 104,000 Assum Frontier Tea Holdings
Scottish Northern Investment

Trust now holds 75,000 ordinary (7,97 per cent). Fairdale Textiles - Menteith Investment Trust and subsidiary have acquired 430,000 shares

(10.%5 per cent). Wm. Mowat and Sonsing sales of shares in which B. Linden was beneficially interested are notified: 10,000 on February 6, 10,000 on February 14 and 10,000 on February 20.

Shares were registered partly in Haslemere Estates—Phoenix name of N. C. Head Office Assurance sold its entire holding Nominees and partly in name of of ordinary shares and Strand Nominees.

THE CRONITE GROUP LIVITED

Summary of results (£000) ייל מיירפל CC hehra הי

 $\mathcal{O}_{\mathcal{C}}$, $\mathcal{O}(\mathcal{C})$, $\mathcal{C}_{\mathcal{C}}$, $\mathcal{C}_{\mathcal{C}}$, and $\mathcal{C}_{\mathcal{C}}$, are also as follows: Profits were lower than anticipated primarily then to a were trading within one subsidiary and losses incurred on foreign exchange contracts. Positive action has been taken in the areas defined.

Despite severe pressure on margins, our tradicional area of activity remains one of the few profitable operations in the nickel alloy field. We look for an increase in profitability in this direction in the coming year, and our order poring has improved in the last quarter.

It is inevitable with rationalisation that the benefitake time to materialise. I am, however, confident measures we have relich will form the basis of a firm in future profitability .

Copies of the report and accounts may be also in The Secretary. The Cronite Group Intil Best Crewkerne, Somerses TA19 7HE.

CRONITE specialists in nickel alloys

 Profit before tax Earnings per share 1978 1978 £4·95m 1977 £3-05m 23-8p 1975 £1-2m Dividend increase of 37% covered 5-2 times.

Profit before tax increased 62% to £4-95m.

Assets increased to £16m.

"The outlook is for further profit growth."

Bullough Limited is the holding company for Project Office Furniture, Beanstalk Shelving, B & B Trailers and other light and electrical engineering companies. Copies of the Report and Accounts are available from The Secretary, 85 East Street, Epsom, Surrey KT17 1ED.

Commercial Union

Assurance Company Limited

The Board announces unaudited profits for 1978 of £87.8m (1977 £67.6m) after providing for taxation

	1978 Unaudited £m	1977" Published £m
Premium Income	1,100.7	1.072.5
Investment income Life profits Underwriting result (table below) Loan interest	143.3 15.0 2.9 (19.0)	127.7 14.2 (20.9) (21.3)
Profit Before Tax	142,2 (54.4)	99.8 (32.2)
Profit Attributable to Shareholders	87.8	67.6
Earnings per Share	21.37p	19 40 p
Shareholders' Funds	£647m ₩	£5\$3m
Underwriting Result	£m	£m `
United Kingdom United States Australia Canada Netherlands Remainder	3.8 7.7 (1.7) .1 (11.4) 4.4	(17) 33 4 1 (156) (74)
	<u> </u>	(20.9)

The results of the Company's overseas operations have, as usual, been converted at rates of exchange prevailing at the close of the years reported above which were:

United States	2.04	1,92
Australia	1.77	1.67
Canada	2.42	2.10
Netherlands	4.03	4.35

Underwriting was restored to profitability in 1978 follering profitable third and fourth quarter. This result was reached after a release of £2.4m from the extreme weather provision arising from an unusually bad year for weather losses particularly in the United Kingdom and the United States.

World-wide premium income in sterling terms showed an increase of 3%. After allowing for the effect of changes as rates of exchange the growth in premium income was 5.5%.

In the United Kingdom the improvement in underwriting continued partly due to the effect of the lower rate of inflation

The underwriting profit in the United States increased with improved claims experienced in most classes of business. However, except for workers' compensation business, premium rate increases were more difficult to achieve due to growing competition. The statutory operating ratio for 1978 was 98.5% compared with 98.2% in 1977.

In Australia intense competition and difficult trading conditions caused our underwriting result to deteriorate. In Canada we again made a small underwriting profit and we estimate that there will be no material amount of so-called 'excess revenue' to be refunded to policyholders under the Anti-Inflation Board

The underwriting loss in the Netherlands was appreciably lower than in 1977 with the motor account, in particular, benefiting from premium increases and the effect of lower inflation.

The marked improvement in the result for Remainder arose from better experience in a number of territories and an excellent marine and aviation profit for the 1976 underwriting year closed at the end of 1978.

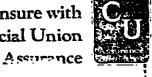
Investment income showed an increase of 12%. After allowof Estates House Investment Trust Limited and the rights issue in 1977, the underlying increase was 10%.

The directors recommend for payment on 17th May 1979;a final dividend on the ordinary shares of the Company of 5.673p (1977 \$.158p).: This, together with the interim dividend of 2.863p (1977 2.564p) per share paid in November last, gives a total dividend for the year of 8.536p (1977 7.722p) per share. UK resident and certain foreign shareholders will be entitled to an imputation tax credit of 4.204p (1977 3.861p) per share, at comparing a gross dividend for the year 1978 of 12.704p. rates of tax, making a gross dividend for the year 1978 of 12.704p (1977 11.583p), an increase of 10%. The comparative figures for 1977 include the additional interim dividend which was paid in November 1978 because of the retroactive reduction in the rate of advance corporation tax.

Including preference dividends for 1978, these dividends $r \cdot qni = £37 \text{ fm (1977 } £30.2m)$ including the additional dividend of erred to above). The balance of profit for 1978 amounting to £52.7m has been added to reserves.

The Report and Accounts for 1978 will be posted to share-holders on 22nd March 1970 and the Annual General Meeting will be held on 17th April 1979.

Insure with Commercial Union



GKN has called it "the answer to many of our prayers." ICI said it is "of considerable use to our PR department." The Head of Economics and Public Relations at The Stock Exchange said it is "an extremely useful work of reference for anyone working with the financial media."

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The Consolidated Accounts for the Group's financial year ended 30th September, 1978, show a gross mining profit before depreciation of £2,856,355 compared with £2,342,381 in the

Mine production was marginally lower due to a reduction in the amount of ground treated. This was caused by an unusually long period of drought, which adversely affected pressure water supplies, both at the mining areas and at the power generating stations. Nevertheless, with the average tin price received improving from 3756 per picul to \$919 per picul, a similar grade of ground treated, and costs well controlled, a satisfactory increase in the operating profit was

After taking into account investment and sundry income, the overall profit from the mines and estates amounts to £2,733,291. The ultimate balance available for the year was £1,044,540 from which dividends of 18 peace per share have been declared (compared with 15 pence in 1976/1977).

During the year 28,343 piculs (1,714 metric tons) of tin-ore were produced from 9,825,800 cubic yards of ground mined, with an average recovery grade of 0,29 kati (0,39 lb.) per cubic

In the first four months of the current financial year 10,769 piculs (651 metric tons) of tin ore have been produced compared with 9,184 piculs (555.3 metric tons) during the corresponding period last year, and the General Managers' conclusion is that overall production is likely to be similar to that of the previous year.

The joint development of Mambang Di-Awan Sendirian Berhad with the Syarikat Permodalan dan Perusahaan Perak Berhad is proceeding satisfactorily. An agreement has been entered into with a well known firm of dredge designers to equip the Kampar leases with a new dredge suitable for the prevailing conditions in the area. The present programme anticipates that productive operations will be commenced in the latter part of 1980.

Since my last statement, the situation in regard to tin has not changed significantly, except that there is now some indication of increased production resulting from the higher metal price, the peak of the latter having been reached in

In the short term the influence of continuing discussions about proposals to release a significant tonnage from the U.S. strategic stockpile have had an unsettling effect and appear to have been responsible for the erratic movements on the metal market. If it is decided to release a substantial quantity of tin it is to be hoped that it will be done in such a manner as will have a stabilising, rather than disrupting, effect on the price of the metal. This will always be the governing factor in the development of new sources of supply.

In the longer term, the much greater capital required to equip and operate the lower grade reserves now principally in prospect will mean that future investors will require greater protection for their investment. The much longer period required to recoup this latter will have to be taken into account when assessing the stability of mining propositions, and in this, security of tenure over the leases to be worked and the right of selection for the successful prospector are

Turning once more to our mining operations, you may be interested to know of the successful introduction of a dry mining process by the General Managers. This process, which involves the use of mechanical loaders, dump trucks, and automatic monitors, provides a more flexible and suitable method for the shallower reserves now being treated and is a considerable improvement on the older method for this

The prospect for the current year, subject to the usual bazards of rainfall and the metal price can therefore be looked upon with confidence.

Interim Report to 28th December, 1978

The Directors report an 11.6% increase in the value of

Participating Shares in Common Market Trust Limited during the last six months in which most continental

European stock markets moved ahead and the strength of

the major European countries contributed to the attractions

The issue price per share on 28th December 1978 was

£14.62 compared with £11.84 at the same time in the

previous year and £13,10 at 30th June 1978. These figures

show a rise of 23.5% during 1978 and 11.6% in the period

under review. Over the same period the Eurosyndical index

The Directors remain confident of the general outlook for

equity investment in the major European stock markets in

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Interim Report of Common Market Trust Limited

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of the markets where the Company is inv

rose by 11.8% and 5.1% respectively.

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Companies and Markets

Metalrax profits expand 44%-pays 30% more

UK COMPANY NEWS

(Holdings), engineering group, report a 44 per cent rise in taxable profits from £1.47m to a record £2.11m for 1978. Turn-

over was well ahead from £11.04m to £17.04m. There was a 56 per cent rise in profits to £922,886 at the interim stage, and the directors said they were confident the second half would show a further improve-

Earnings per 5p share are and subject to its consent.

Also announced is a one-for-10 to the 1977 figure and the rest scrip issue.

compared with a previous £603,000 and after adjustments. available profit emerged at £1.19m against £852,000 last time. The amount retained £936,000 (£716,000).

Metalrax's result is impressive from Bacol which added £63,692 3.7 per cent.

from Joseph Fray). But the Tax for the year took £906,000. remaining organic growth is based on improved performances for all the group's subsidiaries.
About 20 per cent of group business comes from electrical contracting and, while this side did not benefit to the same extent as the rest of the activities from higher throughputs and better margins, it did record a significant advance. The company

and comes as the latest in a has been able to take advantage shown as 7.52p (5.9p) and the series of profit increases stretch of its strong result to increase dividend is effectively increased ing back over 10 years. However, its dividend beyond 10 per cent, from 1.0292p to 1.353p net—a the rate of growth has slowed even so, the dividend is covered near 30 per cent rise—with a and around £250,000 of the 5.6 times. The shares rose 3p final of 0.903p. The dividend £642,000 increase in pre-tax pro- to 56p on the news giving an rise is made possible by current fits can be attributed to recent undernanding p/e of 7.3 but a rulings on cover by the Treasury, acquisitions (almost £150,000 rather unattractive yield of only

LASMO loss up to £12.43m

AN INCREASED loss for 1978 of £12.43m against £7.86m is reported by London and Scottish Marine Oil Company.

This figure is struck after interest payable of £12.52m (£10.41m) and interest receivable of £91,000 (£2.55m).

The directors say the loss arises almost entirely from interest charges in respect of unsecured loan stock and bank finance raised for the development of the company's share of the Ninian field.

At halfway, there was a loss of £5.39m against £3.4m.

Earlier this month the directors said current cash flow projections show that cash generated from sale of oil will consistently provide a surplus over expenditure from the final quarter of this year. It will also be possible to repay hank borrowings ahead of schedule.

comment

The heavy burden of financing its share of the Ninian oil field is the only reason why London and Scottish Marine Oil's pre-tax losses have jumped from £7.9m to £12.4m. There is now a deficiency on shareholders' funds of around £6m which will probably increase during the current year. However, Lasmo is now loading its first cargo of oil at Sullom Voe and assuming an at Suliom voe and assuming an average field output of 150.000 barrels a day in 1979 Lasmo's total share should be around 4m barrels which at the current price of just under \$16 per hartel should result in a net revenue of £25m. Holders of the oil production stock, which rose 5p to 455p yesterday may well receive their first payment in October. For ordinary shareholders, however, there is not likely to be any reward until 1981 at the carliest unless a takeover bidder appears. 18 Startling predictions for Investors

11

Commodity prices will explode! The US will move into a recession — taking the rest

of the world with it. SPECIAL REPORTS Property market to fall Troperty market to tall These are just four of 18 amazing profit making predictions, prepared by the World Money Analyst team. Full details and substantiating evidence is contained in their 'Outlook for 1979' which was prepared on 18 December 1978. Many of their modificitions are about coming true.

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Second half upsurge gives Plantation Holdings £4m

AS EXPECTED, there was a Instead, a special interim divimarked improvement in seconddend should be declared and paid Holdings' capital
half taxable profits at Plantation by the two new companies shortly Holdings—up from £1.6m to after the scheme of £2.74m—leaving 1978 profits only marginally lower at £4.02m against £4.13m. Interest increased dividends, say the direction of £2.000 and £2.

difficult first half-pre-tax profits down from £2.52m to £1.28mbut indications were that the second six months would show a marked improvement. They then expected full-year taxable profits to be £3.8m.

Turnover increased from £34.54m to £40.7m. After tax of £1.5m (£1.68m), stated earnings per 10p share are 62p (6.1p).
The directors state that, as foreseen, the division of Planta-tion Holdings into a Malaysian company and a UK company is proceeding as rapidly as possible.
Since dividends paid by the
Malaysian company will not be
subject to UK advance corporation tax, it is at present intended

after the scheme of reconstruc-The total gross cost of these dividends, say the directors, will

from £164,000 to £368,000.

In December, the directors said dividend which could have been that the group had experienced a paid under present legislation paid under present legislation by Plantation Holdings—so far as UK resident shareholders are concerned, a final of 1.36p making Assuming that the division

Assuming that the division of Amer proceeds according to plan, it is Share Holders. The directors the two new companies will be made during this July. If for any reason the scheme is not implemented, add the directors, towards the end will make then payment will be made by Plantation Holdings. After extraordinary items-goodwill written off of £1.87m

(nil) and other debits totalling £719.000 (£117.000)—there is an attributable deficit for 1978 of £73.000 compared with a £2.33m that no final dividend for the surplus, year under review should be paid. Multi-

Multi-Purpose Holdings Bhd

down midway A fall in taxable profits from f115,387 to f77,340 for the half-year to December 31, 1978,

Association

English

is reported by English Association of American Bond and

The directors say the forecast increase in the rate of commission deducted from dividends came into effect towards the end of the half year and will make a substantial contribution to the year's profit. New activities recently under-taken, and in particular the

investment department, are starting to make satisfactory contributions to profits, The company has recently sub-let its old office and is therefore relieved of the double

rent, add the directors After tax of £35.765 (£45.532). earnings per £1 share are shown lower at 9.5p (16.5p). As known, the net interim dividend is the same at 4.875p—last year's total payment was 18.875p on pre-tax profits of £113,000.

Vanbrugh Life

Prudential Corporation, is putting up its charges as from March 1 on certain of its contracts. As from that date, the annual fee on new contracts is being lifted from 1 per cent to 2 per cent and will apply to its apital Investment Portfolio, the Vanbrugh Investment Portfolio and the Maximum Investment Existing contracts are

unaffected.
The company points out that in spite of rising costs over the ment charge at ! per cent since its launch in September, 1974 This change brings the company

Vanbrugh also points out that there is widespread concern within the life assurance industry over the effects on expenses of a sustained period of hyper-inflation. The linked life companies have no protection with a large block of with-profit business, except through the annual management charge. Therefore it considers it prudent to cover this contingency by amending its new policies to include a provision enabling the company to vary the annual management charge. It does not foresee having to use this provision in the near future.

Extracts from the Statement of the Chairman. Mr. J. T. Chappel, C.B.E., F.I.M.M. circulated with the Report and Accounts for the year ended September 30, 1978.

The pre-tax profit for the year, after taking credit for profits arising from the sale of investments, £24,342 and sale of leases being worked on tribute, £24,450, amounts to \$153.329 compared with £372.081 in 1976/77. production was considerably lower at 104.73 metric tons (208.57 metric tons. in 1976/77) and while the average price received for our tin concentrates was higher at 53.419 per m. ton (£3.027 per m. ton in 1976/77), the lower production has meant that the dredge operated at marginal profitability during the year, the majority of profits arising from other

PENGKALEN LIMITED

After taxation of £32,705 the net profit for the year amounts to £75,524 from which £72,000 has been distributed to shareholders by way of dividends totalling 4.5p per share. The balance carried forward at the end of the current year is increased slightly by £3.524 to £257.770.

The low output was due to the dredge operating throughout the year in previously dreaged g of six weeks when it was digging at flotation depth only in order to pass quickly through a very low grade area.

Agreement was reached, after protracted negotiations, with the Perak State Government, for the construction of a road deviation and new bridge over the Kinta river. The work is proceeding satisfactority on schedule. The dredge was shut down during January for repairs and the rehabilitation work necessary to enable it to operate for at least a further two years. It is now expected to enter the ground to be released by the road deviation towards the end of

Much improved outputs should be obtained during the second half of the Company's current financial year and, provided satisfactory tin prices are maintained, the results for the year should show a substantial improvement over those of the year under review.

It appears that the world supply demand position for the metal is now more or less in equilibrium and the fluctuation.

tions in the tin price during the past year have reflected the prospect of tin being released from the American Stockpile. Much, therefore, depends in the short term on the policy adopted this year by the American Government. It is reasonable to expect that any proposed releases will only be carried out in full consultation with the International Tin Council, of which the United States is a member, with due regard to the effect on current tin prices and bearing in mind the need to stimulate new investment in the industry in order to meet the world's requirements in the longer term.

charges raised Vanbrugh Life Assurance, the linked life subsidiary of the

past four years, it has main-tained its annual fund managein line with the normal market rate.

unlike a traditional life company but it does give the company protection against a substantial increase in expenses.

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LEGAL NOTICES

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IN THE MATTER OF THE COMPANIES ACT, 1948 AND IN THE MATTER OF AND IN THE MATTER OF TALAMO PROPERTIES LIMITED NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required on or before the 16th March 1979, being the day for that purpose fixed by the undersigned.

> 32 London Bridge Street, London SE1 95Y.

the Liquidator of the said Company. to send their names and addresses and particulars of their debts or claims and if any security held by them, and the names and addresses of their Solicitors (i) any), to the undersiqued, and if so required by notice in writing from me, the said Liquidator, are by their Solicitors or personally, to come in and prove their said debts or claims, and to establish any title they may have to priority, at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved, or such priority is established, or, as the case may be, from objecting to such distribution.

Dated this 22nd day of February 1979. AM HOMAN, Liquidator.

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NOTICE OF ISSUE

ABRIDGED PARTICULARS Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

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tax will be deducted therefrom. Under the Imputation tax system, the associated tax credit at the present rate of Advance Corporation Tax (33/67ths of the distribution) is equal to a rate of 363/67ths per cent. per annum. Tenders for the Stock must be made on the Form of Tender supplied with the Prospectus and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to Barclays Bank (London and International) Limited, New Issues Department, P.O. Box 123, 2, London Wall Buildings, London Wall, London, EC2P 2BU marked

Tuesday, 6th March, 1979. The balance of the purchase money is to be paid on or before Friday, Copies of the Prospectus, on the terms of which alone Tenders will be considered, and

"Tender for Lee Valley Water Company Stock", so as to be received not later than 11 a.m. on

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86, Town Centre, Hatfield, Herts, AL10 0JP. or from the Offices of the Company at Bishops Rise, Hatfield, Herts, AL10 9HL.

Western Mining has a better half-year

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S Western Mining meagre 2 per cent. But this is Corporation has enjoyed better unlikely to deter buyers who han expected fortunes in the first seeing the existing nickel intally of its current year to terests coming right in a changed raif of its current year to june 30. The net attributable pro-Sit has moved up to ASS.04m [14.49m], equal to 3.9 cents per hare, compared with ASS.33m the same period of 1977-78. The interim dividend is raised to 2. thents from 11 cents a year ago then the final was also 11 cents.

Looking at prospects for the second half, the directors company that aicked demand coninues to be strong following educed world production and prices have moved up from the lecent very low levels. They are if the opinion that supply and lemind are likely to come into settly batance during 1979.

Western Mining's nickel sales a the first half were 47 per cent p on those of a year ago and osts were lower. Revenue from ickel and co-products were 26 er ent up reflecting the higher tales and a larger proportion of netal in the sales mix, but the ains were reduced by the sub-centially lower nickel price and in unfavourable U.S. Australian schange rate.

The group's gold mining recovery neerests did well in the past six nonths, notably the 50.5 per centwhed Central Norseman which fted earnings for the period to \$5,96m from A\$3.62m. And Vestern Mining's share of the ividends declared by Alcoz of instralia in the period amounted 3 AS3.2m compared with A\$1.7m year ago.

• comment

If Western Mining raises its

climate for base metals, will focus more attention on the

focus more attention on the group's outstanding longer term growth potential. Of the major new projects there is the Wilga (previously Benambra) copper-lead zinc-silver deposit in north-eastern Victoria which could be developed in about two years and a virtual free carried interest of 75 per cent in the A\$320m Yeelirrie aranium venture in Western Anstralia which is expected to be in production by pacted to be in production by the end of 1984. Looming over all, however, is the huge Olympic Dam copper-uranium prospect at Roxby Downs in South Australia It could cost over Asibn to develop and major world-natural resource groups are already seeking partnerships. But investors looking for a good return from this all-Australian company must take a very long-term view.

EZ makes sharp

EZ INDUSTRIES, the Australian producer of zinc and other base metals, yesterday signalled its return to relative prosperity with an announcement of net profits of A\$6.94m (£3.87m) for the 28 weeks to January 10. In the same period of its 1977-78 financial year there was a loss of A\$685,000 and the final outcome for the year of a A\$531,000 net

nat dividend to, say, 3 cents the hares at their current 183p 5 cents (2.78p). There was no interim in the previous year and

profit was only realised because

the payment to shareholders was confined to a final of 5 cents.

EZ has been able to respond to a recovery on the zine market by raising production to near-capacity. Output in the latest half year was 32 per cent above the comparable period. At the same time prices were improved. comment

The group's recovery should continue in the second half provided other international pro-ducers hold back their output to an extent EZ has failed to do. Production cutbacks have led to a better international supply-demand balance and stocks have been run down. In 1978 there was a rise in zine consumption
of about 4 per cent. This year
the rise could be 2-3 per cent.

Zine prices have been on a
gentle upward trend since last in 1977. As with other metal July and although general eco-nomic prospects are patchy the rise could continue for several months yet. But London Metal Exchange prices—the settlement price was £395 a tonne yesterday —are still only fluctuating

ROUND-UP

Northair Hines, the small goldsilver-lead-zine producer working north of Vancouver, had a net profit of C\$862,000 (£357,900) or 16 cents a share in the nine months to last November com-pared with a profit of C\$95,000 or 2 cents a share in the same period of 1977. The company became debt free in the middle

Copper lifting Teck profits

a larger UK investment following as a result of its recent acquisition on a one-for-three share basis of Yukon Consolidated. In the same deal Teck also acquired Brameda Resources which held 32 per cent of Yukon and a 50 per cent stake in the Bulimoose coking coal project in British

As a result of its vigorous expansion policy in recent years Teck's interests include copper: zinc, molybdenum, niobium, coal, gold, silver, geothermal power and oil and gas. The 1978 annual report shows that total assets have now grown to C\$282m (£116m).

pared with \$4.08m, or 59 cents, in 1977. As with other metal producers, Teck enjoyed a sharp recovery in second half 1978 thanks to improved zinc and copper prices, the latter coming into the picture with the first five months' earnings—equal to 20 cents per Teck share—of the new around the average level for the year to March, 1977 of £403.14 a tonne. EZ shares in London yesterday were 290p. 65 per cent-owned Afton copper-gold mine in British Columbia. Also in British Columbia is

the big copper-molybdenum operation of Lornex Mining in which Teck now has a stake of 21 per cent as a result of its acquisition of Yukon Consoli-dated. The major holder of Lornex is, of course, London's Rio Tinto-Zine group.

comment

Copper is going to play a major role in providing increased earnings for Feck this year via a full months' operations of Afton and the recently acquired

AN EAGER participant in the metal price recovery is Canada's average price of U.S. 65 cents per Teck Corporation which now has pound for its copper, whereas pound for its copper, whereas the U.S. price is now around 90 cents. And it has been estimated that every Canadian 5 cents rise in the price increases Teck's earnings per share by some 21 cents. Similarly 2 cents per pound on zinc means almost cents in Teck earnings.

Teck has other mineral interests awaiting development when product prices are ripe. these including the low grade Highmont copper-moly property which adjoins that of Lornex. a 24 per cent stake in the now closed Madeleine copper mine Quebec, and the Bullmoose coal project, Earnings per share this year

could well reach \$2 which would give scope for a reasonable in-crease in the 21 cents dividend. bearing in mind the long term debt of \$123m. However, these prospects are discounted to a large degree by the corrent share price of around \$13 which gives an indicated yield of not much

INCO SETTLES IN MANITOBA

The possible strike threat has been averted at Inco's Manitoba operations which provide some 25 per cent of the big nickel producer's Canadian output. A new wage agreement reached with the United Steel Workers of America has been approved by the union's members on a

wo-to-one vote The new contract will run for 30 months and replaces the existing deal which was due to expire today. It is understood that the terms of the agreement are pretty much in line with those that were rejected by lnco's Sudbury, Ontario, employees where the strike which began in mid-September is still continuing.

Ferranti Seaspray radar has been chosen by the Royal Danish Navy who join three other navies and the Royal Navy in fitting Seaspray in their Lynx helicopters over fifty sets have now been sold overseas. Seaspray will again prove its effectiveness in search and rescue operations and general surveillance when sea and weather conditions are at their roughest.

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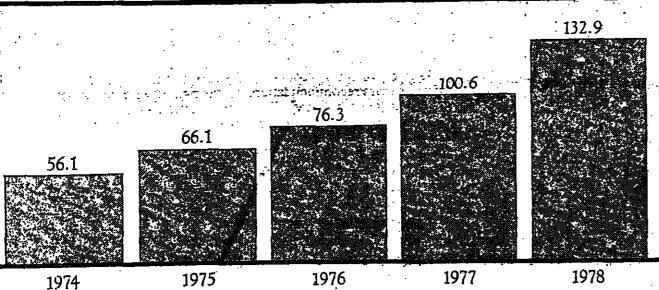
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minolta

Ferranti Limited, Hollinwood, Lancashire OL9 7/5 Selling technology

Net Income (\$ in millions)



Security Pacific Corporation Financial Highlights

. <u></u>		3 mon	ths ended Dec.3	31	12 months ended Dec. 31		
<u>.</u>		1977	1978	Increase	1977	1978	Increase
	Net income	\$26,161,000		33%	\$100,638,000	\$132,907,000	32%
1 1 1 1 1 1	Per share* Net income Dividend paid	1.02 0.32	1.35 0.375**	32% 17%	3.93 1.25	5.18 1.50**	32% 20%
-	-		T 25 11	At Dec.31			•
			1977		1978	Increase	
Ŀ		Assets	\$18,717,000,0	00 \$2	1,633,000,000	. 16%	
ŀ		Deposits	\$14,884,000,0		6,968,000,000	14%	
		Loans	\$11,823,000,0		4,208,000,000	20%	
Ė		*E-fla	ers 70%, and bedisidend	effective lanuary 3	0, 1979. 30, 1979, equal to \$1.80 apmu	allu.	· .

Security Pacific Corporation is the Folding company for Security Pacific National Bank, tenth largest in the U.S. We are headquartered in Los Angeles, the most dynamic market in the United States and a principal Pacific Rim trading center.

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> Security Pacific Corporation common stock will be listed on the New York Stock Exchange, beginning March 14, 1979.



Minolta Camera Co., Ltd.

DM 70.000.000 4% Convertible Bonds due 1989

> WESTDEUTSCHE LANDESBANK GIROZENTRALE

BERLINER HANDELS-UND FRANKFURTER BANK

KLEINWORT, BENSON Limited

Alahfi Bank of Kuwait (K.S.C.)

American Express Bank International Group

Ranca Commerciale Italiani

Bank Julius Baer Internationa

The Bank of Tokyo (Hotland) N.V.

Banque Bruxelles Lembert S.A.

lanque Générala du Luxembour ociété Anonyme

Sangue Internetionale à Luxemb

Banque de Paris et des Pays-Bas

Bangua Populaira Suissa S.A. Luxer

Bayerische Landesbank Girozentra

Ranque de Paris et des Pays-Bas (Suisse) S.A.

Banque Nationale de Paris

Banque de Neuflize, Schlu

Banque de l'Union Europ

Bayerische Hypotheken- und Wochsel-Ramb

Blyth Eastman Millon & Co. International Limited

Caisse des Dépôte et Cont

Citicorp International Grou

Crédit Commercial de France

Crédit Industrial et Con

James Capel & Co.

Chase Manhattan

A.E. Ames & Co. Limited

Areb Financial Cons my S.A.K

Bança del Gotterdo

Eank of America Limited

Bank für Gem

Banque de l'Indoci

nene Bank Nederland N.V.

lotterdam Bank N.V.

SMITH BARNEY, HARRIS UPHAM & CO. DBS-DAIWA SECURITIES

Daiwa Europe (Deutschland) G

Daiwa Securities (HK)

Richard Daus & Co.

Den Danske Bank at 1871 Aktieselska

Den norske Cred

Deutsche Bank

Deutsche Girozentral

Dillon, Read Overseas Corp.

obillare S.p.A.

Fuii International Finance

Ghozentrate und Ban

Hessische Landesben

E.F. Hutton International N.V.

Kidder Peabody Internations

Kuhn Loeb Lehman Brothers Asia Kuwait Foreign Trading Contracting & investment Co. (S.A.K.)

Landesbank Rheinland-Ptalz

Lazard Brothers & Co.,

Lazard Frères et Cie

Kuwait International Investment Co. s.s.k

Industriebank von Japan (Deutschli Aktiengesellschaft

International Gredit Alliance, Limite

Istituto Bancario San Paolo di Torin

Hambros Bank

Hill Samuel & Co.

Hong Kong

Limited

Robert Fleming & Co. Limited

Dresdner Bank Akhengesellschaft

THE TAIYO KOBE BANK (LUXEMBOURG) S.A.

CREDIT LYONNAIS

UNION BANK OF SWITZERLAND (SECURITIES) Limited

CREDIT SUISSE FIRST BOSTON Limited

Westlb asia

DAIWA EUROPE N.V.

Merrill Lynch International & Co. B. Metzier seel. Sohn & Co. Mitsubishi Bank (Europe) S.A.

Mitaul Finance Europe

Nippon European Bank S.A. m Kangyo Kakumaru (É)

Nomura Europe N.V.

Sal. Oppenh Orion Bank Limited

Osakaya Securities Co., Ltd. Pierson, Heidring & Pierson N.Y.

lothachiid Bank AG

Sanwa Bank (Underwriters)

Skandinaviska Ensklida Banke

Société Générale Société Générale de Bunque S.A. Strauss Tumbuli & Co.

Sumitomo Finance Internati

Swiss Bank Corporation (Overs Talyo Kobe Finance Hong Kong Limited

Trinkous & Burkherd Vereins- und Westbank

J. Vontobel & Co. Wake Securities Compa

S.G. Warburg & Co. Ltd.

Wood Gundy Limited Yamaichi intemational (Europe

NatWest jumps

NEW ISSUES

February 16, 1979

\$250,000,000

European Investment Bank

\$150,000,000

95/8% Notes Due February 15, 1986

\$100,000,000

91/8% Bonds Due February 15, 1999

The First Boston Corporation

Merrill Lynch White Weld Capital Markets Group Lehman Brothers Kuhn Loeb

Goldman, Sachs & Co.

Donaldson, Lufkin & Jenrette

Ridder, Peabody & Co.

Lazard Frères & Co.

Salomon Brothers

UBS Securities, Inc.

Blyth Eastman Dillon & Co.

Loeb Rhoades, Hornblower & Co.

EuroPartners Securities Corporation

Nomura Securities International. Inc.

Drexel Burnham Lambert

Dean Witter Reynolds Inc.

Shearson Hayden Stone Inc.

Banque Nationale de Paris

Creditanstalt-Bankverein

Morgan Grenfell & Co.

Vereins- und Westbank

Suez American Corporations

The Bank of Bermuda

Morgan Stanley & Co. Atlantic Capital

Dillon, Read & Co. Inc. E. F. Hutton & Company Inc.

Paine, Webber, Jackson & Curtis Warburg Paribas Becker Bear. Stearns & Co.

SoGen-Swiss International Corporation

Banque Générale du Luxembourg S.A. Caisse des Dépôts et Consignations

ABD Securities Corporation

Daiwa Securities America Inc.

New Court Securities Corporation

Profit attributable to Grindlays

Hudson Securities, Inc.

Orion Bank

Wertheim & Co., Inc. L. F. Rothschild. Unterberg, Towbin

Bache Halsey Stuart Shields

Basle Securities Corporation Banca Commerciale Italiana Banque Française du Commerce Extérieur

Banque Internationale à Luxembourg S.A. Crédit Commercial de France Girozentrale und Bank der Osterreichischen Sparkassen Robert Fleming

Smith Barney, Harris Upham & Co.

Kredietbank S.A. Luxembourgeoise Kleinwort, Benson The Nikko Securities Co. Scandinavian Securities Corporation

Yamaichi International (America), Inc. Westdeutsche Landesbank Girozentrale County Bank New Japan Securities International Inc.

an increase of % per cent on

to £297m

Mr. Robin Leigh-Pemberton. chairman, says that while the level of interest rates rose steadily during 1978 the average base rate for the year at 9.11 per cent was only marginally higher than in 1977.

There was, however, significant increase in the level of the group's business including growth in current account balances and recovery of some ground lost in 1977 in 7-day deposit account balances: in addition there was a further improvement in the bad dept

divisions increased their contri-butions to group profits, particudomestic banking contribution to profits to 62 per cent represented an increase of 35 per cent in money terms on the previous

Referring to the current year interest rates continue for any length of time at present levels. the group's domestic banking earnings will benefit, though the instalment credit business will

After all charges the profit attributable to ordinary holders came through at £182.4m com-pared with £168.3m. Earnings per fl share are stated to be up from 75.1p to 80.90 basic or to 76.Sp fully diluted. The dividend is increased from 11.48779p to 12.83237 net, with a final of 7.15037p.

As a result of adopting increased from £127.73m to tax. As a result of an £188.83m taking the total for SSAP 15 the current year's tax 1978 up to a record £397.4m— charge has been reduced by £51m. from £127.75m to and £140m has been released to ment of which £86m relates to 1976 and earlier years. Provision has been retained for £125m (£51m) in respect of potential liabilities for deferred tax of £316m (£191m).

most noteworthy of which is the Bank changed treatment of deferred

UK COMPANY NEWS

The group's results also reflect new accounting policies in respect of provision for bad and doubtful debts and gains/losses on disposal of investments. Comparisons have been re-staled. For bad and doubtful doixs the

been discontinued and under the new policy the aggregate pro-visions made during the year (less amounts released) charged against profits. This change has no material effect on Movements of the group provision during 1978 were: provision at January 1, 1978, £236.5m, charge against profits £32.1m making £258.6m; amounts written

less recoveries, £19.5m, leaving the provision of £239.1m The chairman explains that it is group practice to consider both specific and general factors in ssessing the overall level of prorequired

> The specific element arises as a result of the year-end appraisal of identified risk advances and the group's tax charge reflects the tax relief which arises when such provisions are made.

The general element arises in The chairman points out that relation to latent risks which are several accounting changes have present in any portfolio of bank transferred to profits by five been introduced this year, the advances but which have not annual instalments. Under the

Mr. Robin Leigh-Pemberton chairman of National Westminster Bank, pictured in the bank's World Money Centres the Foreign Exchange and Euro Currency Dealing Room-

been specifically identified. This part of the provision does not attract tax relief but in contors recognise that in the event of its use against specific had debts, tax relief would then arise. Bad debts are written down to

the cormal banking relationship ceases. Interest on advances up to that time is credited to profits and provisions appropriate.

The chairman said vesterday that the specific element of the provision last year had been significantly down while the general element had shown an increase. He said that the bank's bad debt experience continued to be "very satisfactory."

In previous years gains losses on disposal of dated stocks were taken to an investment suspense account

the year of disposal. Franked investment

was previously grossed-up for UK corporation corporation tax atcurrent rate; under the the impured tax eredit

The effect of these changes trading surplus for 1977 is EIOm higher than previously published.

See Lev

All of these Securities have been sold. This announcement appears as a matter of record only.

U.S. \$50,000,000

Hudson's Bay Company

10% Debentures Due 1994

Grindlays Holdings Limited

31st December, 1978 of 8,284 per cent net (1977 7 per cent).

Together with the interim dividend of 4 per cent net declared on 25th July, 1978 (4 per cent) the total distribution for 1978 will be 12.284 per cent net, the maximum permissible under present dividend limitations, equivalent to 3.071p per share

(11 per cent or 2.75p per share). 51 per cent of the shares of Grindlays Bank Limited are held by Grindlays Holdings which is quoted on The Stock Exchange, London. 49 per cent of the shares are owned by Citibank N.A., New York

Grindlays Bank Limited

1978 Group Results				
	1977 £'000	1978 £000	per cent change	
Profit before tax	30,644	37,194	21.4	
Tax Profit after tax	(14,241) 16,403	<u>(15,446)</u> 21,748	32.6	
Minority shareholders' interest	(154)	(624)		
Profit after tax and before extraordinary items	16,249	21,124	30.0	
Extraordinary items		947		

Profit retained for the year 1978 was £20.0 million (£14.4 million) increasing group capital resources to £128.2 million at 31st December 1978.

> 1977 1978

£2647 miltion Group Deposits

Group Advances £1599 million

£1650 million

£2831 million

The Chairman, Mr. N. J. Robson, in his Statement to the shareholders, to be posted in March, states,

"Currency fluctuations have again affected these results and there has been a net disadvantage to the order of £1.9 million mainly incurred during the second half of the year (1977 £1.6 million) the tax charge of £15.4 million again almost entirely relates to tax in countries overseas."



A name you can bank on around the world.

MORGAN STANLEY INTERNATIONAL

DOMINION SECURITIES LIMITED IBJ INTERNATIONAL LIMITED

RICHARDSON SECURITIES OF CANADA (U.K.) Lid. KLEINWORT, BENSON LIMITED

SOCIETE GENERALE DE BANQUE S.A.

SWISS BANK CORPORATION (OVERSEAS)

UNION BANK OF SWITZERLAND (SECURITIES) ABU DHABI INVESTMENT COMPANY — ALAHLI BANK OF KUWAIT K.S.C. — ALGEMENE BANK NEDERLAND N.E. AMERICAN EXPRESS BANK A.E. AMES & CO. AMSTERDAM-ROTTERDAM BANK N.M. ANDRESENS BANK A.S. ARNHOLD AND S. BLEICHROEDER, INC. B.S.J. UNDERWRITERS BANCA COMMERCIALE ITALIANA BANCA DEL GOTTARDO BANCA NAZIONALE DEL LAVORO BANCO DI ROMA BANK OF AMERICA INTERNATIONAL THE BANK OF BERNUDA BANK GUTZWILLER, KURZ, BUNGENER (OVERSEAS) BANK OF HELSINKI BANK JULIUS BAER INTERNATIONAL BANK MEES & HOPE NT BANKERS TRUST INTERNATIONAL BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.L.) BANQUE BRUXELLES LAMBERT S.A. BANQUE FRANCAISE DU COMMERCE EXTERIEUR BANQUE GENERALE DU LUXEMBOURG S.A. BANQUE DE L'INDOCHINE ET DE SUEZ - BANQUE INTERNATIONALE A LUXENBOURG S.A. BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET BANQUE NATIONALE DE PARIS BANQUE DE PARIS ET DES PAYS-BAS BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG BANQUE ROTHSCHILD BANQUE WORMS BARCLAYS BANK INTERNATIONAL BARING BROTHERS & CO., BAYERISCHE LANDESBANK GIROZENTRALE BAYERISCHE VEREINSBANK BERLINER HANDELS-UND FRANKFURTER BANK BURNS FRY CAISSE DES DEPOTS ET CONSIGNATIONS CHASE MANHATTAN CHEMICAL BANK INTERNATIONAL GROUP CHRISTIANIA BANK OG KREDITKASSE CIBC LIMITED CITICORP INTERNATIONAL GROUP COMMERZBANK COMPAGNIE HONEGASQUE DE BANQUE CONTINENTALILLINOIS COPENHAGEN HANDELSBANK COUNTY BANK CREDIT COMMERCIAL DE FRANCE CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE CREDIT LYONNAIS CREDIT SUISSE FIRST BOSTON CREDIT INDUSTRIEL ET COMMERCIAL

DAIWA EUROPE N.V. DELBRUCK & CO. CREDITANSTALT -BANKVEREIN DEWAAY AND ASSOCIES INTERNATIONAL S.A. DEN NORSKE CREDITBANK DEUTSCHE BANK DRESONER BANK EUROMOBILIARE S.p.A. EUROPEAN BANKING COMPANY ROBERT FLEMING & CO. FIRST CHICAGO FUJI INTERNATIONAL FINANCE GOLDMAN SACHS INTERNATIONAL CORR. GREENSHIELDS. GROUPEMENT DES BANQUIERS PRIVES GENEVOIS HAMBROS BANK HILL SAMUEL & CO. JARDINE FLEMING & COMPANY KANSALLIS-OSAKE-PANKKI KIDDER, PEABODY INTERNATIONAL KREDIETBANK N.F. KREDIETBANK S.A. LUXEMBOURGEOISE

KUHN LOEB LEHHAN BROTHERS KUWAIT FOREIGN TRADING. CONTRACTING & INVESTMENT CO. (S.A.R.) KUWAIT INTERNATIONAL INVESTMENT CO.S.A.K. KUWAIT INVESTMENT COMPANY (S.A.R.) LAZARD BROTHERS & CO., LEVESQUE, BEAUBIEN INC. LLOYDS BANK INTERNATIONAL MANUFACTURERS HANOVER MCLEOD, YOUNG, WEIR INTERNATIONAL MERRILL LYNCH INTERNATIONAL & CO.

MITSUBISHI BANK (EUROPE) S.A. SAMUEL MONTAGU & CO. MORGAN GRENFELL & CO. THE NATIONAL COMMERCIAL BANK (SAUDI ARABIA): THE NATIONAL BANK OF KUWAIT S.A.K. NEDERLANDSCHE JUDDENSTANDSBANK NAL NESRITT, THOMSON

THE NIKKO SECURITIES CO. (EUROPE) LTD. NOMURA EUROPE NA: SAL OPPENHEIM JR. & CIE. PETERBROECK, VAN CAMPENHOUT, REMPEN S.A. PIERSON, HELDUING & PIERSON NIK PKBANKEN POSTIPANKKI PRIVATBANKEN PITFIELD, MACKAY, ROSS ROTHSCHILD PANK AG N. M. ROT BŞCBILD & SONS

SALOMON BROTHERS INTERNATIONAL ASARASINET CIE J. HENRY SCHRODER WAGG & CO. SCHRODERS AND CHARTERED SKANDINAVISKA ENSKILDA BANKEN SOCIETE BANCAIRE BARCLAYS (SUISSE) S.A. SOCIETE GENERALE

SOCIETE GENERALE ALSACIENNE DE BANQUE SPARBANKERNAS BANK STR. USS. TURNBULL & CQ. SUMITOMO FINANCE INTERNATIONAL. SVENSKA HANDELSBANKEN TRADITION INTERNATIONAL S.A.

VERBAND SCHWEIZERISCHER KANTONALBANKEN S. G. WARBURG & CO. LTD. J. VONTOBEL & CO.

WESTDEUTSCHE LANDESBANK."
GIROZENTRALE
YAMAICHI INTERNATIONAL (EUROPE) WILLIAMS, GLYN & CO. WOOD GUNDY February 22, 1979

13171

NORTH AMERICAN NEWS

Financial Times Wednesday February 28 1979

General Motors plans major Mexican expansion at ABC

BY JOHN WYLES IN NEW YORK

plans for a new passenger car 1978.
assembly plant, a new engine manufacturing plant, and two new component production

of in Mexico, but if may well the largest single foreign velopment by a Detroit company since Ford Motor Com-pany's \$500m construction of a new production plant at Reiencia, Spain.

The Mexicau car and truck mer or early autumn of 1980 narket has been one of the astest growing in the world in switch to the exclusive produche last few years. GM's retail ales leaped 50 per cent to In addition, work on a new ponents used in A000 last year and Ford's fac- engine plant will be completed manufacturing.

Asbestos Corporation hits at valuation

By Robert Gibbens in Montreal STUDY commissioned by the government which alued Asbestos Corporation hares at C\$40 each is totally according to Mr. Taschereau. isbestos Corporation president, Mr. Taschereau said parts of he study, done by New York avestment bankers Kidder eabody, are inconsistent and "deviates from accepted nalytical techniques." He said he study disregards potential bre price increases when nalysing future revenues, and pplied a "patently inappro-

riate" discount rate. Quebec is negotiating for ontrol of the group with its refor shareholder General mannics of the U.S. and has produced legislation to expro-late the company as proof of seriousness. General Dynaes is represented by Lazard of Gimbels New York, effectiveres and Co., New York, immediately, to pursue unspecially has valued the Asbestos fied other business interests. rporation at almost C\$100 a

'Asbestos Corporation vester-5.7m, or C\$5.51 a share. inst C\$21m, or C\$7.40,

TOTAL MOTORS Corporatory sales 38 per cent to 68,000. by mid-1982 and this is planned the yesterday announced a Both U.S. companies significant expansion of its cautly outpaced the market day on three shift working setivities in Mexico, including which grew by 25 per cent in employing about 2,200. The GM's appropriement

just four days after disclosure of its purchase of Chrysler's facilities in Venezuela and The world's largest auto Columbia and underscores its determination to increase the start a figure to its new invests size and profitability of its pyerseas operations. Its plans call for a new assembly plant near Saltillo with a production capacity of more than 100,000 units a year and total two-shift employment of about 2,500. Completion is due in late sum-

company's existing engine plant at Toluca and its foundry will Lastly, GM says it will build new facilities near Juarez to produce engine idle speed controls and automotive trim and the company's automotives wiroperation also at Juaraz, will be expanded.

All of the expanded vehicle Mexican market, but it is pos-sible that some engine and idling equipment will be exported. This would be necessary to comply with Mexican requirements for exports to compensate for imported com-

AMC to double Jeep manufacturing capacity

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT AMERICAN MOTORS (AMC) But the increase in capacity will spend nearly \$100m to has enabled AMC and Renault double its manufacturing capato push ahead with plans,
city for Jeep utility vehicles revealed for the first time
and to provide extra marketing
and distribution back-up in the

French-speaking West Africa three years to 1981.

By that year, output of Jeeps will rise from 170,000 a year

to 350,000 a year, said Mr. W. Paul Tippett Jr., president of AMC, at the International Motor Show in Geneva yesterday.
This should enable the number of vehicles for export

40,000 a year.

countries such as Zaire, Gabon and the Cameroons. AMC estimates that it will sell 7,000 Jeeps, mainly in very basic form, in these territories in the initial stages when marketing

begins next year. In Western Europe, Jeep sales in 1978 jumped 150 per cent. but they were still at a nominal also to be doubled to around

Gimbels president resigns

NEW YORK - Mr. James A. Connolly has resigned as president and chief operating officer . Mr. of Gimbels New York, effective immediately, to pursue unspeci-

Tobacco. Gimbels is part of the Brown and Williamson retail Reuter

Connolly's resignation comes in the wake of a radical shake-up at Gimbel Brothers and at the SAKS store chain, Gimbels New York is a sub- with both being brought into sidiary of Brown and Williams a new Brown and Williamson sbestos Corporation yester- Industries, which in turn is a retail group. The president of reported 1978 earnings of subsidiary of British American SAKS was chosen to head the new B and W retail set-up.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues forcwhich an adequate secondary market ists. For further details of these or other bonds see the complete list of Eurobond prices published the second Monday of each month.

Closing prices on February 27

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S. DOLLAR	Issued	Change on .
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inada 9 83 inada 94, 98	350	\$7%, \$8%, +0%, +0%, 5.77 \$5%, \$9%, +0%, -0%, 9.94 \$4%, 94%, 0 -0%, 10.15 \$3%, \$4%, -0%, -0%, 10.15 \$3%, \$2%, 0 -1%, 10.15 \$5%, 100%, -0%, -0%, 10.05 \$5%, -0%, -0%, -0%, 10.15 \$4%, \$5%, -0%, -0%, 10.15 \$4%, \$5%, -0%, -0%, 10.15
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ICA 6 88	150	96 ¹ 96 ² 0 0 6.47 :
1. Manhttm. 0/5 6 93	100	961, 971, -01, -02, 5.01 95 951, -04, -02, 7.19 951, 952, -04, -02, 6.05 912, 92 0 -02, 6.79 98 982, -04, 0 5.96 951, 951, +03, +04, 2.04 1001, 1001, -03, 9 7 18 961, 962, 0 0 6.47 982, 982, -03, 0 6.21
i. Manhttm. 0/5 6 93 ammersbank WW 312	100 100	361 991 -01 0 6.71 1101 102 +03 +11, 3.31
i. Manhttm. 0/5 6 93 ammerabank WW 3½ ammerabank XW 3½	100 100 100	\$51, 951, -01, 0 6.71 1101 102 +01, +11, 3.31 1511, 811, -01, 0 8.16
i. Manhtm. O/S 6 93 ammersbank WW 332 ammersbank XW 332 penhagen City 6 90	100 100 100 75	\$24 954 -84 0 6.71 101 102 +04 +14 3.31 1514 874 -07 0 6.75 904 914 0 7.16
1. Manhttm. 0/5 6 93 ammerzbank WW 3½ ammerzbank XW 3½ apenhagen City 6 90 auncil of Europa 64	100 100 100 75 130	\$6 ¹ / ₂ 99 ¹ / ₂ -0 ¹ / ₃ 0 6.11 †101 102 +0 ¹ / ₃ +1 ¹ / ₂ 3.31 †81 ¹ / ₄ 8 ¹ / ₄ -0 ⁴ / ₄ 0 6.16 90 ¹ / ₂ 91 ¹ / ₂ 0 0 7.15 96 ¹ / ₂ 97 -0 ⁴ / ₃ 6.51 96 ¹ / ₄ 96 ¹ / ₄ 0 -0 ⁴ / ₄ 6.53
1. Manhttm. O/S 6 93 ammerzbank WW 3½ ammerzbank XW 3½ jacnhägen City 6 90 auncil of Europe 64 Inmerk 5½ 85	100 100 700 75 130 100	\$83, 991, -00, 0 6.71 1101 102 +01, +11, 3.31 1811, 871, -01, 0 8.76 901, 911, 0 0 7.16 902, 97 -01, -01, 6.71 963, 961, 0 -01, 6.58 96 96, 0 -01, 7.04
Manhttm. O/S 6 93 ammerbank W/W 3½ jnenhegen City 6 90 auncil of Europe 6% immerk 5½ 85 immerk 5½ 85 immerk 5½ 89 immerk 6½ 99	100 100 75 130 100 100 300	\$5\frac{1}{2}\$ 95\frac{1}{2}\$ -0\frac{1}{2}\$ 0 6.11 \$101\$ 102\$ +0\frac{1}{2}\$ +1\frac{1}{2}\$.331 \$6\frac{1}{2}\$ 10\frac{1}{2}\$ 0 5.16 \$6\frac{1}{2}\$ 95\frac{1}{2}\$ 0 0 7.16 \$6\frac{1}{2}\$ 95\frac{1}{2}\$ 0 0 7.16 \$6\frac{1}{2}\$ 95\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.58 \$6\frac{1}{2}\$ 95\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 7.04 \$153\$ 93\frac{1}{2}\$ -0\frac{1}{2}\$ -0\frac{1}{2}\$ 6.84
Manhttm. O/S 6 93 ammer/bank WW 3½ penhagan City 6 90 puncil of Europe 64 Inmerk 5½ 35 ammark 6½ 99	100 100 75 130 100 100 200	\$61, 991, -01, 0 6.11 1101 102 +01, +11, 3.31 1814 814 -01, 0 6.16 301, 911, 0 0 7.16 987, 97 -01, -01, 6.71 364, 961, 0 -01, 6.53 36 961, 0 -01, 7.04 193 334 -01, -01, 6.84 961, 961, 0 -01, 6.84
I. Manhtim. O/S 6 93 immerbank WW 3½ immerbank XW 3½ penhagan City 6 90 juncil of Europe 64. inmerk 5½ 85 immerk 5½ 89 8 6 90 8 6½ 91 strobras-Brazil 7 87	100 100 75 130 100 100 200 200	\$82, 991, -01, 0 6.11 1101, 102, +04, +11, 3.31 1811, 811, -01, 0 8.15 901, 91, 0 0 7.15 902, 97, -01, -01, 6.51 963, 961, 0 -02, 6.53 86, 961, 0 -02, 6.53 96, 961, 0 -02, 6.84 96, 961, 0 -02, 6.84 96, 961, 0 -02, 6.84 96, 967, 10, -02, 6.84
Manhttm. O/S 6 93 mmerzbank W/W 3½ jnenhagan City 6 90 puncil of Europe 6% immerk 5½ 85 immerk 5½ 89 se 6 90 8 6½ 91 strobras Brazil 7 87 rolima 6½ 99	100 100 75 130 100 100 300 200 100	\$52, 99% - 0% 0 6.71 1101 102 + 04, +1%, 3.31 1614, 81% - 0%, 0 8.16 30% 91% 0 0 7.16 96%, 97 - 0%, -0%, 6.51 96%, 96%, 0 - 0%, 6.58 96 96%, 0 - 0%, 6.58 96 96%, 0 - 0%, 6.84 96%, 96%, 0 - 0%, 6.94 96%, 95%, 0 - 0%, 6.94 95%, 95%, 0 - 0%, 6.94 95%, 95%, 0 - 0%, 6.94 199%, 100 0 + 0%, 6.53
I. Manhttm. O/S 6 93 smmerzbank WW 31- smmerzbank XW 31- spenhagen City 6 90 suncil of Europe 64 Inmerk 51- 35 smmark 51- 35 8 690 95 8 690 95 strobras Brazil 7 37 rolime 61- 89 hand 6 83	100 100 75 130 100 100 200 100 100 100 150	\$8\frac{1}{2}\$ 99\frac{1}{2}\$ - 00\frac{1}{2}\$ 0 6.71 \$101\$ 102\$ + 0\frac{1}{2}\$ + 1\frac{1}{2}\$ 3.31 \$101\$ 102\$ + 0\frac{1}{2}\$ + 1\frac{1}{2}\$ 3.31 \$101\$ 102\$ + 0\frac{1}{2}\$ + 1\frac{1}{2}\$ 3.31 \$101\$ 90\frac{1}{2}\$ 0 0 8.16 \$90\frac{1}{2}\$ 7 - 0\frac{1}{2}\$ 0 - 0\frac{1}{2}\$ 6.53 \$8\frac{1}{2}\$ 96\frac{1}{2}\$ 0 - 0\frac{1}{2}\$ 6.53 \$8\frac{1}{2}\$ 95\frac{1}{2}\$ 0 - 0\frac{1}{2}\$ 6.84 \$95\frac{1}{2}\$ 95\frac{1}{2}\$ 0 - 0\frac{1}{2}\$ 6.84 \$95\frac{1}{2}\$ 95\frac{1}{2}\$ 0 - 0\frac{1}{2}\$ 6.84 \$95\frac{1}{2}\$ 97\frac{1}{2}\$ + 0\frac{1}{2}\$ 7.49 \$199\frac{1}{2}\$ 100\$ 0 0 + 0\frac{1}{2}\$ 6.53 \$88\frac{1}{2}\$ 100\frac{1}{2}\$ - 0\frac{1}{2}\$ - 6.52
Manhttm. O/S 6 93 smmerzbank WW 3½ penhagan City 6 90 suncil of Europe 64 Inmerk 5½ 85 smmerk 6½ 89 s 6 90 s 6½ 91 strobras-Brazil 7 87 rolims 6½ 89 hland 6 83 sechi Ship. 5½ 83 sechi Ship. 5½ 83 smmerk 5½ 89 sechi Ship. 5½ 83 smmerk 5½ 89 sechi Ship. 5½ 83 smmerk 5½ 83	100 100 75 130 100 100 200 100 100 150	\$52, 991, -01, 0 6.11 102, +04, +11, 3.31 1811, 811, -01, 0 8.16 301, 911, 0 0 7.16 301, 911, 0 0 7.16 961, 97 -01, -01, 6.51 86, 961, 0 -01, -01, 6.51 86, 961, 0 -01, -01, 6.84 961, 961, 0 -01, -6.84 961, 961, 0 -01, -6.84 961, 961, 0 -01, -6.84 961, 961, 0 -01, -6.84 961, 961, 0 -01, -6.84 981, 961, 0 -01, -02, 6.84 981, 100, -01, -01, 6.53 881, 100, -01, -01, 6.53 881, 991, -01, -01, 5.98
I. Manhttm. O/S 6 93 ammerbank W/W 3½ jachhagan City 6 90 auncil of Europe 6½. Immerk 5½ 85 ammerk 5½ 89 8 6 90 8 6½ 97 strobres 8rezil 7 87 strolline 6½ 89 anhand 6 83 tachi Ship. 5½ 83 idonesia 7 84 and 6 84 and 6 85	100 100 75 130 100 100 300 200 100 150 50	\$5\frac{1}{2}\$ 99\frac{1}{2}\$ -0\frac{1}{2}\$ 0 6.11 1101 102 +0\frac{1}{2}\$ +1\frac{1}{2}\$ 3.31 161\frac{1}{2}\$ 81\frac{1}{2}\$ -0\frac{1}{2}\$ 0 5.16 30\frac{1}{2}\$ 91\frac{1}{2}\$ 0 0 7.16 36\frac{1}{2}\$ 95\frac{1}{2}\$ 0 0 7.16 36\frac{1}{2}\$ 95\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.53 36\frac{1}{2}\$ 95\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.54 35\frac{1}{2}\$ 95\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 8.94 35\frac{1}{2}\$ 95\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.53 39\frac{1}{2}\$ 100\frac{1}{2}\$ -0\frac{1}{2}\$ 6.02 38\frac{1}{2}\$ 93\frac{1}{2}\$ -0\frac{1}{2}\$ -0\frac{1}{2}\$ 5.98 136\frac{1}{2}\$ 95\frac{1}{2}\$ 0 +0\frac{1}{2}\$ 7.36 136\frac{1}{2}\$ 95\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.18
I. Manhetm. O/S 6 93 Immerzbank WW 3½ Immerzbank XW 3½ Ipcohagen City 6 80 Inmerk 5½ 85 Interpretable Fig. 85 In	100 100 100 75 130 100 100 200 100 150 50 100 100	\$8\$\ 99\\$-0\\$\ 0\\$\ 6.71\\$\\ 1101\\$\ 102\\$\ +0\\$\\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\
I. Manhttm. O/S 6 93 ammerzbank WW 3½ pechagen City 6 90 puncil of Europe 64 Immer 5½ 85 ammerk 5½ 85 ammerk 5½ 89 strobras-Brazil 7 87 arolims 6½ 89 hand 6 83 arochi Ship. 5½ 83 donesia 7 84 ashe. City of 5½ 85 taubishi Petro. 5½ 85 taubishi Petro. 5½ 85 arochand 64 87	100 100 75 130 100 200 100 100 150 50 100 100 200	\$82, 991, -04, 0 6.11 181, 811, -04, +11, 3.31 1811, 811, -04, 0 8.16 801, 911, 0 0 7.16 962, 97 -07, -04, 6.53 86 962, 0 -04, 6.53 86 962, 0 -04, 6.84 963, 961, 0 -04, 6.84 963, 961, 0 -04, 6.84 963, 961, 0 -04, 6.84 963, 961, 0 -04, 6.84 963, 961, 0 -04, 6.84 963, 961, 0 -04, 6.84 963, 961, 0 -04, 6.53 892, 100, -04, -04, 6.53 892, 100, -04, -04, 6.53 893, 994, -04, -04, 6.88 1983, 994, -04, -05, 6.18 1983, 994, -04, -05, 6.31
I. Manhttm. O/S 6 93 Immerzbank WW 31- Immerzbank XW 31- Immerzbank XW 31- Immerzbank XW 31- Immerk 51- Immerk	100 100 100 75 130 100 100 100 100 150 50 100 100 100 100	\$5\frac{1}{2}\$ 99\frac{1}{2}\$ -0\frac{1}{2}\$ 0 6.11 1101 102 +0\frac{1}{2}\$ +1\frac{1}{2}\$ -1\frac{1}{2}\$ 3.31 161\frac{1}{2}\$ 81\frac{1}{2}\$ -0\frac{1}{2}\$ 0 7.16 36\frac{1}{2}\$ 91\frac{1}{2}\$ 0 0 7.16 96\frac{1}{2}\$ 97 -0\frac{1}{2}\$ -0\frac{1}{2}\$ 6.53 96 96\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.53 95\frac{1}{2}\$ 95\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.53 95\frac{1}{2}\$ 95\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.53 95\frac{1}{2}\$ 95\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.53 99\frac{1}{2}\$ 100\frac{1}{2}\$ -0\frac{1}{2}\$ 6.02 98\frac{1}{2}\$ 92\frac{1}{2}\$ 0 +0\frac{1}{2}\$ 6.02 98\frac{1}{2}\$ 92\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.02 98\frac{1}{2}\$ 93\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.02 98\frac{1}{2}\$ 93\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.02 98\frac{1}{2}\$ 93\frac{1}{2}\$ 0 -0\frac{1}{2}\$ 6.31 98\frac{1}{2}\$ 99\frac{1}{2}\$ -0\frac{1}{2}\$ 6.31 98\frac{1}{2}\$ 99\frac{1}{2}\$ -0\frac{1}{2}\$ 6.31 98\frac{1}{2}\$ 99\frac{1}{2}\$ -0\frac{1}{2}\$ 6.31
I. Manhtm. O/S 6 93 Immerzbank WW 3½ Immerzbank XW 3½ Ipchhägen City 6 90 Inmerk 5½ 85 Inmerk 5½ 85 Inmerk 6½ 88 Intohi Ship 5½ 83 Intohi Petro. 5½ 86 Isaubishi Petro. 5½ 86 Isaubishi Petro. 5½ 85 Ippon Steel 5½ 85 Intoh Tel. & T. 5½ 87 Intoh Tel. & T. 5½ 87	100 100 75 130 100 300 200 100 150 50 100 100 200 100 100 200	\$83, 991, -01, 0 6.71 1101, 102, +01, +11, 3.31 1101, 102, +01, +11, 3.31 1101, 102, +01, +11, 3.31 1101, 102, +01, +11, 3.31 1101, 102, +01, +11, 3.31 1101, 0 0 7.18 1102, 0 -01, 6.53 1103, 901, -01, -01, 6.54 1103, 901, -01, -01, 6.53 1102, -01, -01, 6.53 1102, -01, -01, 6.53 1102, -01, -01, 6.53 1102, -01, -01, 6.53 1102, -01, -01, 6.53 1102, -01, -01, 6.53 1102, -01, -01, 6.53 1102, -01, -01, 6.53 1102, -01, -01, 6.53 1102, -01, -01, 6.31 1102, -01, -01, 6.31 1102, -01, -01, 6.31 1102, -01, -01, 6.31 1102, -01, -01, 6.31 1102, -01, -01, 6.31
I. Manhttm. O/S 6 93 ammer/bank WW 3½ penhagan City 6 90 annoli of Europe 64. Inmerk 5½ 85 ammerk 5½ 85 ammerk 5½ 85 ammerk 5½ 89 as 6½ 97 arolims 6½ 89 annoli 6 83 arochi Ship. 5½ 85 abe. City of 5½ 85 abe. City of 5½ 85 aropon Steel 5½ 85 annoli 7 84 annoli 6 83 arochi Ship. 5½ 85 annoli 7 84 annoli 7 84 annoli 7 84 annoli 7 84 annoli 7 85 annoli 7	100 100 75 130 100 300 200 100 100 100 100 100 100 100 100 1	\$82, 991, -01, 0 6.11 1811, 811, -01, 0 8.16 301, 911, 0 0 7.16 301, 911, 0 0 7.16 301, 911, 0 0 7.16 363, 961, 0 -01, 0.16 38, 961, 0 -01, 0.16 38, 961, 0 -01, 0.16 38, 961, 0 -01, 0.16 38, 961, 0 -01, 0.16 38, 961, 0 -01, 0.16 38, 961, 0 -01, 0.16 38, 961, 0 -01, 0.17 391, 100, 0 -01, 0.17 391, 100, 0 -01, 0.17 391, 100, 0 -01, 0.17 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18 391, 991, 0 -01, 0.18
immerzbank WW 32 immerzbank XW 32 joenhägen City 6 80 juncil of Europe 64 immerk 52 85 immerk 52 85 immerk 52 85 immerk 62 89 istrobras-Brazil 7 87 rolims 62 89 hland 6 83 rachl Ship. 52 83 idonesia 7 84 jabe, City of 52 85 iw Zeoland 64 87 rpon Steel 53 85 inton 121 8 7 rolic line, 8k, 74 88, oraes Komm, 6 97	100 100 75 130 100 200 100 100 100 100 100 100 100 10	1101 102 +04 +17 3.31 1814 -04 0 6.16 301 917 0 0 7.16 302 917 0 0 7.16 302 917 0 0 0 7.16 302 917 0 0 0 0 7.16 303 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
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immerzbank WW 3-2 immerzbank XW 3-2 immerzbank XW 3-2 ipcnhägan City 6-80 iuncil of Europe 6-4 inmerk 6-3-85 inmer	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 101 102 102 103 103 103 105 105 105 105 105 105 105 105 105 105
immerzbank WW 3-2 immerzbank XW 3-2 immerzbank XW 3-2 ipcnhägan City 6-80 iuncil of Europe 6-4 inmerk 6-3-85 inmer	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 101 102 102 103 103 103 105 105 105 105 105 105 105 105 105 105
immerzbank WW 3-2 immerzbank XW 3-2 immerzbank XW 3-2 ipcnhägan City 6-80 iuncil of Europe 6-4 inmerk 6-3-85 inmer	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 101 102 102 103 103 103 105 105 105 105 105 105 105 105 105 105
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mmerzbank WW 3-2 mmerzbank XW 3-2 mmerzbank 3-2 mme	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerk 5-2 m	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerk 5-2 m	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
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mmerzbank WW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerk 5-2 m	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerk 5-2 m	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 merzband 5-2 mmerz 5-2 merzband 5-2 merzband 5-3 me	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 merzband 5-2 mmerz 5-2 merzband 5-2 merzband 5-3 me	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 mmerzbank 3-2 mme	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 mmerzbank 3-2 mme	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerk 5-2 m	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 merzband 6-8 mmerz 7-8 mzeoland 6-8 mzeoland 6	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 merzband 6-8 mmerz 7-8 mzeoland 6-8 mzeoland 6	100 100 100 100 100 100 100 100 100 100	101 102 +04 +17 3.31 1814 -07 0 8.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 7.16 307 917 0 0 0 7.16 307 917 0 0 0 0 7.16 307 917 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
mmerzbank WW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerzbank XW 3-2 mmerk 5-2 m	100 100 100 100 100 100 100 100 100 100	1001 102 +04 +17 3.31 101 102 102 103 103 103 103 103 103 103 103 103 103

Closing prices on February 27	deposit by a small commercial Iranian bank, and has stopped
	4 4 4 4
YEN STRAIGHTS Issued Bid Offer day week Yield Asiag Dev. Bk. 5½ 88 15 89½ 90½ +0½ -2½ 7.19 Australia 55 833 20 95½ 165½ -0½ -0½ 5.77 Australia 52 88 20 95½ 65 -0½ -1 7.25 BFCE 64 90 30 191½ 93½ -0½ -2½ 7.59 Eurofima 6.3 90 10 193½ 93½ -0½ -0½ 7.25 Finland 5.6 83 10 97½ 88% 0 -0½ 6.54 Finland 6.8 88 10 95½ 96% -0½ -0½ 7.51	ing the funds.
Australia 5 8 83 20 951, 1001, -01, -02, 5.77	About two weeks ago, the Swiss-hased subsidiary of Dow
BFCE 6 4 90	Chemical moved to block the
Finland 5.6 83	assets in New York and
Finland 6.8 88	London of The Iranians Bank because it had allegedly de-
OTHER STRAIGHTS Issued Bid Offer day week Yield Rank O/S Hold. 11\(^1\) AS 12 159\(^1\) \$3\(^1\) \$4\(^1\) \$1\(^1\) \$1\(^1\) \$1 16 15\(^1\) \$3 10\(^1\) \$1\(^1\) \$3 10\(^1\) \$1\(^1\) \$3 10\(^1\) \$1\(^1\) \$3 10\(^1\) \$1\(^1\) \$3 10\(^1\) \$1\(^1\) \$3 10\(^1\) \$1\(^1\) \$3 10\(^1\) \$1\(^1\) \$1\(^1\) \$3 10\(^1\) \$1	faulted on the deposit.
Rank O/S Hold. 117, AS 12 1947, 554 +04 0 13.03	A senior official at Dow said
Komm, last. 7'- 93 EUA 15 197'- 99 +1'- +0'- 7.70.	the money was pald back in
SDR France 7 93 EUA 22 924 922 +02 +12 7.84	the past few days and friendly relations had been restored
Algemene 8k. 64 83 Fl 75 94 94 46 0 7.36 Brazil 74 83 Fl 75 94 95 +01 -04 8.99	with The Iranians' Bank.
CFE Mexico 73 83 F1 75 973 985 0 -074 8.48	AP-DJ
Neder, Midd. 62 83 Ft 75 927 947 -04 0 8.14	
Norway 81, 83 Fl 100 9312 9414 - 014 - 014 8.32	AMERICAN
Elf Aquitaine 91 88 FFr 150 991 991 0 -01 3.84 FIR 91 88 FFr 200 991 991 0 -01 9.79	QUARTERLIES
Norway 51 84 FF1 200 993 1003 + 01 + 01 9.28	QUANTERLES.
Unilever 10 85 FFr 100 1013 1023 +04 0 9.59	BANK OF NOVA SCOTIA
Bayer Lux. 8 86 LuxFr 250 974 981 +04 0 8.38	First quarter 1978 1978 CS CS
Finland 1, F. 8 88 LuxFr 250 97 984 +04 +05 8.37	Revenue
Norway 74 83 Luxfr 250 97 984 +05 +05 8.39 Norges Km. 8 85 Luxfr 500 984 100 +04 +05 8.10	Net per share 1.05 0.84
Recault 73 88 Luxfr 500 964 975 +05 0 8.21	FOSTER WHEELER Fourth quarter 1978 1977
Swedish Br. 8 88 LuxFr 500 987, 100% +0% +0% 8.07	S S
FLOATING RATE	Revenue 421.1m 329.8m Net profits 11.3 m 7.2 m
NOTES Spread Bid Offer C.dta C.cpn C.yd Arab Intl. Bk. 845.5 23 04 96 967.31/7 11.44 11.88	Net per share
BFG Fin, Co. M5.5 89 04 284 984 12/7 12.4 12.59 Bcc. Fl Salvador M8 83 14 974 98 12/4 11.31 11.57	Revenue 1.49bn 1.19bn Net profits 41.12m 27.06m
Boo. Nac. Argnt. MS 83 04 934 994 21/7 124 12.33 Bank of Tokyo MSS 93 04 974 974 18/4 1012 10.77	Net per share 5.01 3.22
Banque Worms M51, 85 04, 983, 983, 15/5, 12, 12,20	GENERAL CABLE CORPORATION
Bq. E. d'Alg. M7.5 85 01 951 951 2/5 124 13.35	Fourth quarter 1978 1977 S S
BO. I. AI. Occ M6.5 83 04 973 984 12/7 12.4 12.67	Revenue 245.5m 155.5m Net profits
CCF M5 25 98 04 974 577 378 1173 11.96 Ch. Man O'S M54 93 04 974 585 27/7 11.73 11.96	Net per share t0.19 0.16
Credit National MS's 88 P's 98's 98's 11/7 1231 1252 Gordonken M6 88 P's 98's 98's 15/5 12.31 12.48	Year 848.0m 620.5m
Ind. Bk. Japan M51-85. 014 . 991; 103 176 12.36 12.36 Liubhanska M7.75 85 1 961, 971; 18/7 12.94 13.34	Revenue 848.0m 620.5m Net profits 25.35m 20.30m Net per share 1.53 1.37
1TCA Japan MT4 85 04 994 997 975 12.08 12.12	HARNISCHFEGER CORPORATION
Nat. West. M51, 90 014 987, 991, 21/6 121, 12.53	First quarter 1979 1978
OKB M52 88	Net profits †2.59m 4.54m
Petro Mericano 74 84. 04 981 99 24/7 12:06 12:22	Net per share
Standard Chrt. M5.5 90 04 971 973 10/8 11 56 11.87	HOME OIL 1978 1877
FLOATING RATE NOTES Spread Bid Offer C.dta C.cpn C.y'd Arab Intl. Bk. M65.5 23 04, 96 967,3177 11.44 11.88 BFG Fin. Co. M5.5 28 04, 284, 294, 212/7 12.4 12.59 Bco. El Salvador M6 23 14, 577, 58 12/4 11.31 11.57 Bank of Tokyo M65, 93 04, 579, 574, 18/4 10%, 10.27 Banque Worms M54, 85 04, 394, 974, 18/4 10%, 10.27 Banque Worms M54, 85 04, 394, 974, 18/4 10%, 10.27 Banque Worms M54, 85 04, 394, 984, 15/6 12, 12.20 Bot. E. d'Alg. M7.5 85 04, 394, 394, 25/7 12.4 12.35 Bq. Indo at Suez M54, 04, 394, 394, 25/7 12.4 12.57 CCE M5 25 98	Year 1978 1877 \$ \$
CONVERTIBLE Cnv. Cnv. BONDS date price Bid Offer day Prem Agree 54, 93	Section Sect
Baker Int. Fin. 51, 93 1/79 34 1041 1061 -04 4.75	Net per share
Coca-Cols Bottling 64 4/79 9 874 884 - 14 22.79	Fourth quarter 1978 . 1977
Coca-Cale Bottling vs 4/78 1339 1121 122 -1 -1.90. Novo Industri 7 89 4/79 259 854 505 0 5.45 Texas Int. Alf. T-, 83 4/79 14.5 1857 90 -1 11.27 Thom Int. Fin. 7-83 11/78 3.57 1994 100 +07-4.14 Tyco Int. Fin. 85-88 8/78 21 984 100 +07-4.14 Tyco Int. Fin. 5 84 5/78 81.5 174 751-11 172.34 acabl Contical 35 DM 12/78 588 1955 865 1 -0.35	
Texas Int. Alf. 7-8311/78 3.67 991 100 +01 -4.14 Thorn Int. Fin. 7-83 11/78 3.67 991 100 +01 -4.14 Thorn Int. Fin. 8-88 9/78 27 981 100 -01 23.47	Net profits
Tyon Int. Fin. 5-28 9/78 21 98'2 100 -0'2 23.47 Tyon Int. Fin. 5 84 5/78 81.5 174 75'2 -1'2 172.34 Asahi Optical 3'2 DM 12/78 588 195'2 98'3 -1 -0.35	. Year
Casto Co 3- 85 DMTI/76 841 942 952 -03 4.98	Net profits
1/79 1164 894 904 +04 17.60	PETRIE STORES
Kansa) 218C. 4 64 DM 7/10 E12 00 91 -01 9.85	Fourth quarter 1978 1977 S S
Konishiroku 3- 85 DM 7/79 1033 88-1 89-1 -07-1 19.68 Majudas Food 3- DM 2/79 1033 88-1 89-1 -07-1 19.68 Mugita M 3- 85 DM 11/78 854 98-1 100 -094.49	Revenue 141.2m 120.9m
	Net prolits 16,01m 14,04m Net per skare 1.14 1.00
Nippon Ysg. 31 85 DM 1/79 251 937 947 -03 4.20	Fees 182 9m 382 9m
Nissan Diesi. 31-86 JiM 2/79 477 891 901 -01 11.70 Dump. Ont. 31-85 DM 2/79 703 971 981 +07 -0.50	Net profits 48.27m 41.51m Net por share 3.43 2.95
Ricoh 31-86 DM 10/78 617 92 83 -91 12:18 Sarver Flectife 31-DM 11/78 285 1831 891 -01 -3.22	PETROPINA CANADA
Sharp CD. 27 88 DM, 2/79 487 927 937 +01 1.44 Sharp CD. 27 88 DM, 11/78 622 1887 897 -17 12.15	Year 1978 1977
Tokyo Elec. 37, 87 DM 4/78 476 905, 915, -07, -1.8	Revenue 594,0m 531 0m
Tokyo Ld. Cn. 4 88 DM 4/79 433 903 915 -074 5.50 Trio-Knwd. 32 96 DM11/78 711 854 889 +0% 24.48	Net profits
- au information available-previous day's price.	BANGER OIL CANADA
e Oele one market maker supplied a price.	Year 1978 1977
Straight Bonds: The yield is the yield to redemption of the mid-price; the amount easied is in millions of surrancy	Revenue
units except for Yen Donds where it is in Dillons.	Net profits
Figure 1 and Mother: Depoint the test in collect united a second	REXNORD INCORPORATED
was indicated. Ma Minimum coupon. C.dte = Date next coupon becomes effective. Spread Margin above	First quarter 1979 1978
su-month offered rate for U.S. dollars. C.epn=The current coupan, C. and The current vield.	S S Revenue 220.0m 189 9m
Comments bonds Denominated in College (Iniess Other-	Net profits
wise indicated. Chg. day "Change on day. Chv. data - First date for conversion into sharea. Chv. price - Nominal amount of bond per share expressed in currency of shere et conversion rate fixed at Issue.	ZENITH RADIO
currency of shere at conversion rate fixed at issue.	Fourth quarter 1978 1977 S S
Prom = Percentage premium of the current effective price of acquiring shares via the bond over the most recent	Revenue
orice of the shares. The Financial Times Ltd., 1979, Reproduction in whole	Net per share 0.54 0.16
FILE LINGINGS THIND FIRST STOP (SPECIALS IN MINOR	

INTERNATIONAL CAPITAL MARKETS

Dealers had been anticipating market has fallen is that on hat the triple-A rated bonds January 16 Bell Telephone of

Record interest rate for Bell Telephone issue

BY OUR NEW YORK CORRESPONDENT

INTEREST RATES on top sell the bonds would be able to international situation. issues hit a new peak in the phone's 40-year bonds

operations rose from \$34.7m to \$40m. and earnings from \$1.27 a share to \$1.45 a share. For the full year, net inor \$3.92 a share to \$127.5m or \$4.60 a share, with revenues rising from \$1.50n

BY FRANCIS GHILES

ABC Television network posted record revenues and profits, and so too did its pub-lishing operations. The record division, which has been a drag on earnings, again suffered substantial losses, but the company has already disclosed that it is selling this operation to MCA.

14% gain

in profits

AMERICAN BROADCAST-

ING, the third largest of the

U.S. television broadcasting networks, but the one which

has been leading the field in

terms of the popularity of its

programmes, resterday re-ported a 14 per cent gain in

Net income from continuing

fourth quarter earnings.

to \$1.8bm.

Agreed bid for Ticor

By David Lascelles in New York SOUTHERN PACUFIC, the railroad company, announced screement in principle to buy Ticor, the Los Angeles-based insurance company, for about \$258m. The deal follows the unsuccessful attempt earlier this mouth by American General Insurance of Houston to take over Ticor with an offer worth \$35 a share. Ticor refected the bid claiming it was not in shareholders interests and might pose antitrust problems.

Southern Pacific's offer. worth \$40 a share, includes the purchase from American General of the 375,000 Ticor shares it owns. The deal will be financed with a combina-tion of eash and debt securities. in pronortions yet to be worked out.

One condition of the deal is that the takeover Ticor was planning of Pounsylvania Life should be halted.

Dow Banking's Tranian loan

ZURICH -- Dow Banking Corporation has fully recovered the principal, interest and overdue interest on a short-term interbank U.S. dollar deposit by a small commercial

,	S	S
Revenue	421.1m	329.8m
Net profits	\$ 421.1m 17.3:m 1.37	7.23m 0.89
1681		
Net profits	. 1,49bn 41,12m	1.19bn 27.06m
Net profits	5.01	3.22
GENERAL CABLE CORP	ORATIO	
· Fourth quarter	1978	1977
_	\$	S 155.5m
Net profits	45.000	2.77m
Net profits	10.19	0.16
† Loss		
	848.0m 25.35m 1.63	620.5m 20.30m 1,37
Net per share	25.35m	20.30m
HARNISCHFEGER CORP		
First quarter	1979	1978
	5	5
Net profits	†2.59m †0.29	4.84m 0.55
Net per share	10.20	0.00
HOME OIL		
Year	1978	1877
_	\$ 204.7m	\$
Net profits	38.5m	38.3m
Net per share	4.45	4.68
KELLOGG		
Fourth quarter	1978	. 1977
Revenue	\$ 426.2m 25.1m 0.33	370.4m
Net profits	25,1m	370.4m 22.5m
Revenue	0.33	0.29
Unapping	1.69bn	1,53tn
Net per share	145,1m 1.90	128.2m 1.81
PETRIE STORES	1.00	
Fourth guarter	1978	1977
•	S 141.2m	\$ 120_9m
Net proints	141,2m 16,01m	120_9m 14,04m
Net per skare	1.14	1.00
		202 2
Net profits	435.9m 48.21m	382.9m
Net por share	3.43	41.51m 2.95
PETROPINA CANADA		
Year	1978 C*	1977
	Ct.	CS I
Net profits	594.0m 23.7m	571 0m 30.7m
Net per share	2.37	3.07
BANGER OIL CANADA-		
Year	1978	1977 CS
	CS	CS.
Revenue	10 4m 2.30m	9.5m 3,42m
Not per share	0.27	0.40
REKNORD INCORPORATI		_
First guarter	1979	1978
	\$	189 9:
Revenue	220.0m	189 9rr 9.72m
Not profits	11.77m 0.68	9.72m 0.56
ZENITH RADIO	4.55	
TENTA MADIO		J

One measure of how the

Pennsylvania, another A T and

T subsidiary whose bonds are rated triple. A but are generally

investors as the South Central

Bell issues, sold \$150m of 40-

year debentures at a yield of

Last week Tevas Electric

not so highly regarded

9.37 per cent.

quality utility company new rerail them. current interest cycle yesterday when South Central Bell Telethat the triple-A rated bonds would yield between 9.6 per cent and 9.65 per cent. The offering price of 9.663 per cent was thus seen to be quite generous. One analyst remarked offered to investors at a yield of South Central Bell is widely that if the issue was not well

seen as one of the best quality issuers among American Tele-phone and Telegraph sub-sidiaries. For this reason were Texas Electric Service Company sold \$75m of triple-A rated in the bond markets which has securities was priced and how

on the bond market. developed in the past month in the highest yield on a triple-A quickly the syndicate which response to signs of accelerating rated electric power company won the competitive bidding to inflation and the unsettled bond since 1974.

\$24m Tanzanian loan completed

THE FIRST syndicated loan for cent for Conadi, an economic amounting to \$40m, carries a Tanzania has been completed, development agency backed spread of 1; per cent. The Air Tanzania Corporation is by the government of second part of this loan amounts by the government of Ronduras. This credit carries raising \$23.97m, half of which Honduras. This credit carries is funded by the U.S. Eximbank a three-year grace period and is

received at this level then this

could have a negative impact

at a fixed rate of 81 per cent, being syndicated among a small the other half of which was syndicated among six banks led group of banks.
The Brazilian airline, Varig. is arranging a firancial package by BankAmerica International. amounting to at least \$200m, of which \$78m will be in the form On this tranche the borrower is paying a spread of 11 per The same bank is arranging part is split into two tranches, of seven banks led by Midland \$25m 10 year credit on a split A 31-year tranche, amounts to Bank. The borrower is paying a \$25m 10 year credit on a split

second part of this loan amounts to 8.5 per cent and is related to the cost of Canadianprovided equipment. Terms include a spread of 1; per cent and a maturity of 12 years.

The Mexican oil company Peniex is arranging a \$50m loan of commercial loans. The first for five years through a group spread of 13 per cent for the \$29.5m. carries a spread of 3 a spread of 3 per cent through-first five years rising to 14 per per cent, and a 12-year tranche, out and there is no grace period.

Resorts wins

licence battle

resort, and the shares of com-

panies with gambling interests

The ruling on resorts was made by the New Jersey Casino

Control Commission which has

been holding six weeks of hear-

ings into the company's applica-tion for a permanent licence

grounds of Resorts' alleged con-

Its application was strongly

soared on the news.

By Our New York Staff

Fourth quarter setback for IU International

BY OUR NEW YORK STAFF IU INTERNATIONAL'S attempt is part of a \$55.6m special has won its year-long battle for a

to reduce the exposure of its charge in the fourth quarter. shipping subsidiary, Gotaas Lar- which reflects an attempt to sen, has resulted in a \$41.76m trim Gotaas Larsen's future fourth quarter loss. Anticipating a major increase

in demand for liquefiednatural gas (LNG), Gotaas Larsen was responsible more than five years ago for one of the largest black a much slower than expected development of the LNG market has prompted IU to cancel one \$200m tanker contract and to defer delivery of the remaining the The \$26.9m cancellation penalty sidiaries,

permanent licence to run its new casino in Atlantic City, the first of its kind outside the State of Nevada. The victory appeared to clear the way for many of the stantial loss and is likely to prime its fleet futrher. other companies developing casinos in the New Jersey

The fourth quarter loss compared with net income of \$13.4m in 1977, and revenues the period orders ever placed for glant \$574,23m against \$602.5m. Full LNG tankers. Four of the six year income fell from \$58.8m have so far been delivered, but on \$1.74 per share to \$12m on 30 cents per share. Revenues rose from \$2.28bn to \$2.56bn.

Mr. John Seabrook, chairman and chief executive, states that extraordinary vessel from the Kawasaki ship- obscured the good performance vard in Japan for four years, of most of the company's sub-

Eurobond from FFI By John Evans WITH MOST sectors of the

Sterling

international bond markets sure, market attention swung yesterday to the Eurosterling market where Finance for Industry is launching a £10m 18500

The 12-year offering, with a 13 per cent coupon and priced at par, is clearly aimed at tapping the growing foreign demand for British fixed-interest securities which has resulted in dramatic gains in gilt-edged stocks in the past weeks

Sinking fund provisions provide for an average life for the bonds of nine years.

The bonds will be fully placed with a management group led by S. G. Warburg. The issue will then be offered to a selling group, with the managers able to reduce commitments to 50 per cent of the total amount. Selling group concessions amount to a standard 1 per cent.

The latest bond is thus pitched on terms which give yield, depending on reallowances available in excess returns available on most outstanding Eurosterling issues. At the same time, yields on nparable longer-terb domestic gilt-edged are generally around 13 per cent.

In other markets, the Kerea Development Bank is raising a 12m Kuwaiti dinar bond, due 1989 through the National Bank of Kuwalt and Merrill Lynch International.

The compon is 7, per cent. with an indicated pricing of paror a small discount.

In a subdued Deutsche-mark sector, Dresdner Bank said that RESORTS INTERNATIONAL the DM 100m five-year hand for Nippon Kokan KK now carries a 61 per cent indicated coupen instead of the expected 61 pc: cent. Pricing is indicated at

In Switzerland, a SwFr 60m five-vear private placement has been arranged for the Electri-city Supply Commission of South Africa. The issue, with a coupon of 51 per cent at par, has been managed by Credit Suisse.

Final terms for Sweden's SwFr *00m private placement due 1986, comprises a 3 per cent coupon ad uricing at par. Swiss Bank Corporation was the lead manager The Eurodollar bond market

opposed by the state's gaming enforcement authorities on the was quiet in featureless trading nections with organised crime yesterday.

This announcement appears as a matter of record only.

February 1979.



The Kingdom of Denmark US \$ 250,000,000 **Medium Term Credit Facility**

Managed by

Scandinavian Bank Limited

Nordic Bank Limited

United International Bank Limited in co-operation with

The Sumitomo Bank, Limited The Industrial Bank of Japan, Limited

Privatbanken Aktieselskab Copenhagen Handelsbank

Den Danske Bank af 1871 Aktieselskab R. Henriques jr.

Co-managed by

Bank Mees & Hope N V Banque Nordeurope S.A. Banque Scandinave en Suisse Copenhagen Handelsbank International S.A. The Dai-Ichi Kangyo Bank, Limited Den Danske Bank International S.A. Hypobank International S.A. Lloyds Bank International Limited The Long-Term Credit Bank of Japan, Limited Midland Bank Limited The Mitsubishi Bank, Limited The Mitsui Bank, Limited Nordfinanz-Bank Zurich, Nassau Branch Privatbanken International (Denmark) S.A. Société Générale de Banque S.A. The Tokai Bank, Limited

Provided by

Bank Mees & Hope NV Banque Nordeurope S.A. Copenhagen Handelsbank International S.A. Den Danske Bank International S.A. Hypobank International S.A. Lloyds Bank International Limited Midland Bank Limited The Mitsui Bank, Limited Nordfinanz-Bank Zurich, Nassau Branch Privatbanken International (Denmark) S.A. The Sanwa Bank, Limited Société Générale de Banque S.A. The Tokai Bank, Limited

Banque Française du Commerce Extérieur Banque Scandinave en Suisse The Dai-Ichi Kangyo Bank, Limited The Fuji Bank, Limited The Industrial Bank of Japan, Limited The Long-Term Credit Bank of Japan, Limited The Mitsubishi Bank, Limited Neue Bank

Nordic Bank Limited Provinsbanken International (Luxembourg) S.A. Scandinavian Bank Limited The Sumitomo Bank, Limited United International Bank Limited

Agent Bank Nordic Bank Limited

Bank Hapoalim B.M.

Notice is hereby given that an extraordinary general meeting of the shareholders of the bank will be held at the head office of the bank, 50 Rothschild Boulevard, Tel Aviv. Israel, at 12.30 p.m. on March 21, 1979 for the purpose of passing a special resolution as follows:

To increase the authorised share capital of the bank by creation of 1.000,000,000.--(one thousand million) ordinary shares of IL. 1.00 (one Israeli pound) each.

Holders of share warrants to beaver of the bank may attend the meeting and vote thereat on depositing the said warrants at the offices of the bank not later than 12.30 p.m. March 19, 1979, and such warrants will be retained in custody until the termination of the meeting.

Foreign residents may deposit share warrants to bearer. and owners of bearer shares in the U.K. may arrange for authorised depositories holding share warrants to bearer on their behalf, to transfer the warrants on the same conditions as mentioned above to the London and Manchester branches

JI within half an hour from the time appointed for the neeting a quorum is not present the meeting shall stand adjourned to March 28, 1979, 12.30 p.m. at the Head Office of the Bank, without and duty on behalf of the Board of Directors to give notice thereof to members. If at such adjourned meeting, within half an hour from the time appointed for the meeting, a quorum is not present, the members present shall form a quorum and may transact the business for which the meeting was called.

> By order of the Board of Directors. Gideon Eilat



The Republic of Panama U.S. \$70,000,000

Floating Rate Serial Notes due 1990

For the six months 28th February, 1979 to 31st August, 1979

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 12% per cent, per annum, and that the interest payable on the relevant interest payment date, 31st August, 1979 against Coupon No. 2 will be U.S. \$642.08

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Akzo climbs out Swiss Bank of the red

BY CHARLES BATCHELOR IN AMSTERDAM

AKZO, the Dutch chemicals and loss the year before. Extrafibres group, has achieved its ordinary losses, primarily frum goal of "a very modest profit" additional write-offs on for 1978 but proposes not to pay property, plant and equipment a dividend for the fourth year and provisions for rationalisain succession.

Last year's improvementnet profits of Fl 24m against in 1977. losses of Fl 166m-came almost entirely from companies outside the Netherlands and the results of most of its domestic operations remain a matter of great concern, it said in a provisional statement.

Akzo, which has undertaken a severe cutback of its lossmaking fibres division in the Fl. 2.81bn. Fibre sales rose six past few years, reports the net profit after extraordinary items. Sales were Fl 10.66bn (85.33bn) compared with FI 10.43hn. It will ask shareholders to approve the passing of a dividend and the payment of the small profit into reserves. Akzo last paid

Isolated gains, including a exchange loss on outstanding quarter earnings.

FI 47m compared with a FI 52m reductions in other companies.

tion, amounted to F1 23m, sharply lower than the Fl 114m

Net profit per share after extraordinary items was FI 0.81 compared with a loss of F1 5.63. Sales increased by only two per cent in 1978. Excluding losses on the translation of currencies the increase would have been six per cent. Fourth quarter sales rose four per cent

on the same 1977 quarter to per cent to F1 951m chemical product sales rose one per cent : to FI 1.03bn while turnover of the remaining divisions rose five per cent to F1 827m. In the year as a whole fibre and chemical product sales were

marginally lower at Fl 3.57bn and Fl 3.89bn respectively. Only pharmaceuticals, consumer FI 11m reduction on the FI 35m and other products sales roce, by nine per cent to Fl 3.2bn. Swiss franc borrowings at the The company's workforce end of the third quarter, had a declined by 1.200 during the favourable effect on fourth year to 83.200. The fibre division, Enka, shed 1,200 jobs. Net profit before extra- Newly consolidated companies ordinary items in 1978 was added 800 jobs, matching

Shell Nederland ahead on refining in Holland

the chemicals division chalked up a large loss.

The company had earlier reported an upturn in refining operations but said it expected this would only be temporary. These results follow a loss of Fl 300m (\$150m)—spread about equally over the two divisions

An improvement in market prices in the final quarter of the year, itself due to a number of causes, contributed to the refining divisions profitability, senior managers told a meeting of the works council. However, the problem remains that the relatively small volumes of oil traded on the Rotterdam free market and elsewhere form a disturbing influence which can determine the financial result can be carried through on a activities.

interruption to

SHELL Nederland made an ditions for the oil industry to unexpected profit on its refinery increase its earnings. But if activities in Holland in 1978 but Shell Nederland requires more oil than it has bought under long term contracts with Shell International Trading Company it will have to pay considerably higher prices.

Theoretically the amounts contracted could be reduced but Iran has a vested interest in restarting deliveries. Shell said. Up to now the company has been able to maintain throughput at 70 per cent of capacity.

Financial prospects for the chemicals division are not particularly favourable following the large loss made in 1978, the company said. Raw material prices have risen rapidly and it is questionable whether the chemical price increases of around 20 per cent which have been announced by the industry Shell's Dutch refining market where supply exceeds demand.

High start-up costs of new deliveries from Iran and the plants at Shell's Moerdijk site severe winter in Western will also have an adverse Europe created favourable con-impact on the 1979 result.

Hoechst buys Balenciaga

German chemical company, with sales of DM23.3bn, yesterday gained a stronger foothold in the highly-competitive French perfume market with the acquisition of Balenciaga S.A.

Balenvlaga S.A., which sells haute couture and ready-to-wear clothes in boutiques in France, makes perfumes, sunglasses and fashion accessories, for export, yesterday agreed to sell a

 West majority interest in its capit; to Marbert S.A., a wholly owned subsidiary of Marbert GmbH of West Germany.

Marbert GmbH, which is con-

trolled by the Hoechst AG chemical group, is one of the leading German perfume and cosmetic companies with turnover in excess of DM 59m. Balenciaga refused to disclose

financial details of the trans-

Corporation earnings decline

By John Wicks in Zurich NET PROFIT of Swiss Bank Corporation, one of the Swiss "big three," fell by 6 per cent last year to SwFr 223m. leaving cash-flow lower by 4 per cent at SwFr 369m.

Despite the decine in earnings, which managing director Dr. Franz Schmitz said in Basie vesterday was "not wholly unexpected," he board to recommend an unchanged dvidend of 10 per

cent on increased capital. The decline in profits was attributed by Dr. Schmitz to the economic situation and nterest rate development in Switzerland, restrictions imposed by the Swiss authorties during 1978 on bank operations and conditions on international finance and currency markets.

There was a marked fall in income of SwFr 48.34m to SwFr 124.94m, in securities earnings. In contrast, profits on foreign - currency and precious metals trading jumped by SwFr 65.1m to SwFr 239.6m. The bank points to the high immover volumes in both foreign exchange and precious metals.

With regard to interest income, the net figure—the difference between interest received and interest paid showed a slight decrease from SwFr 347.4m to SwFr 338.5m, while net earnings from com-missions remained almost un-changed at SwFr 374.5m. Elsewhere, income from bills and money-market paper was up slightly at SwFr 118.8m against SwFr 116.3m and income from participations rese from SwFr 32.5m to SwFr 33.96m.

Balance sheet total went up by SwFr 7.53bn in 1978 to SwFr 63.24bn, a rise of 13 per cent. The due-to-banks sum rose within the liabilities figure by SwFr 2.93bn to SwFr 22.24bm and that of cilents' funds by SwFr 3.21bm to SwFr 33.58bn.

Despite heavy competition and the negative effects of the entrency situation on Swiss business, outstanding domestic loans rose by what Dr. Schmitz called a remarkable 14.5 per cent within this figure. A simultaneous 12.4 per cent increase in loans to foreign clients concerned primarily the activities of branches abroad. in the past year, SEC has

substantial experienced growth in the sector of bank-ing subsidiaries, said Dr. Schmitz. The company Schmitz. The company aconired a stake in the Geneva private bank Ferrier Lullin + Cie SA and took over the personal-loan specialist bank Procredit SA.

Apart from the integration during 1978 of the small Banque Commerciale de Sion, SBC last Friday effected the absorption—subject to final approval-of the regional bank Handwerkerbank Basle, which it had already undertaken to support when finan-cial difficulties became known last year.

The bank also aunounced the issue of a SwFr 200m bond. The loan will carry a coupon of 3 per cent and be

Weak home performance hampers Saint-Gobain

BY TERRY DODSWORTH IN PARIS

lost money, dragging down the overall performance of the glassmaking - to - engineering group to a net profit of FFT 450m (\$104.7m), compared with FFr 842m in 1977.

M. Roger Martin, the group chairman, put the main blame for this lack-justre performance last year on Government pricecontrols. He welcomed the fact that these restrictions were now heing dismantled, but emphasised that it would require some time for the beneficial results of the new regime to work divided equally between France

In his annual message to the work force, accompanying the provisional figures, M. Martin indicated that Saint-Gobain was looking for new areas of business. Meanwhile, however, it was concerned with two for growth for its large-scale activities and the low level of

THE RE-ORGANISATION set fact that the rash-flow fell by packaging (ten per centle in train last year at France's 11 per cent, compared with 1977. ashestos cament and wood (the largest quoted company, Saint- to a total of FFr 2.1bn, of which per cent): piping (nine shelf) in train last year at France's 11 per cent, compared with 1977, asbestos cement and wood (the largest quoted company, Saint-food to a total of FFr 2.1bn, of which per cent); piping (nine spaint to a total of FFr 2.20m was realised in cent); paper (seven per spaint) to pull the group out of its deteriorating financial performwas ball the total of the insulation materials (three par cent); general business (18 per lost money, dragging (or per cent); paper (seven per spaint).

In total, French operations time cash-flow in France (11 per cent); general business (18 per lost money, dragging (or per cent); paper (seven per cent); paper (seven per spaint). cent) fell below the level of cout). that generated in West Germany

> per cent). Consolidated group sales were

	1978	19
	FFrm.	
Net sales		
Gress profit	4.000	4.1
Net profit		- 6
Cash-flow	2,100	-2.3
Investments	2.800	
	. ,	

and external markets, with exports moving up by 12 per cent to FFT 3.4m. Gross profits amounted to FFr 4.0bn, against FFr 4.1bn.

Following the re-organisation move last year, Saint-Gobain has split down its divisional principal problems, the scope structure into ten units rather than six, each responsible for a main manufacturing area. In order of importance, these now The problems encountered in comprise flat glass (16 per France are illustrated by the cent); fibres (14 per cent);

HONGKO

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M. Martin commented that: the basic finances of the oper-(20 per cent) and the U.S. (14 pany remained sound law ment last year, stretching over up by 8 per cent to FFr 34.3bn. a total of ten countries, went up to FFr 2.8bn, compared with FFr 2.5bn in 1977. This was (FFr 3.1bn) or by money raised disinvestments (FFr 710m).

In the investment programme, the French interests benefited from a policy of dispropor-tionate support, attraction FFr 780m last year, some intee times the rate of the cash flow generated by the domestic operations.

But at the same time fine French companies have been affected more by the productivity drive going on in the group, losing 1,330 workers through redundancy programmes during the year to reach their present total of 7,770 employees. The tests group work-force now amounts to 157,900.

Austrian group to acquire Zanussi shareholding

BY RUPERT CORNWELL IN ROME

per cent snarenoiding in indus-trie Zanussi Spa, Italy's largest solidated sales of Schillings electrical and domestic appli-48bn (\$3.7bn), and with 80,000 electrical and domestic appliance manufacturer.

The deal will go through as part of a Zanussi capital increase later this year. It comes only a few months after the Italian group bought back a 20 per cent stake in its own capital which AEG Telefunken of West Germany was forced to give up as a result of its own persisting difficulties.

Details of the operations have not yet been finalised. However, a Zanussi spokesman last night indicated that the plan broadly

VOEST ALPINE, the Linz-based LSObn (\$96m), partly by the group controlled by the distribution of free shares and Austrian State, is to take a 10 partly by a paid issue.

The Austrian group has conper cent shareholding in Indus-

> people on its payroll is the country's largest industrial concern, engaged in the metals and civil engineering sectors.
> Paul Lendval writes from Vienna: Voest-Alpine has world wide interests. It has invested

in U.S. coal mines, in iron ore mines in the Phillipines and in engineering concerns in West Germany. The shareholding in Zanussi is part of the diversifi-cation of Voest. Zanussi is said to possess valuable know-how in the industrial construction sector, particularly with regard called for a capital increase to the building of complete from the present L37.5bn to plants for household appliances.

Nordic Bank increases: operating profit by 51%

NORDIC BANK, the Londonbased multinational bank, reports that operating profits rose by 51 per cent in 1978 to £4.7m Nordinanz. against the 1977 level of £3.1m.

Total capital funds advanced to £96.6m from £31.8m and total assets to £1.07bn from £458m. reflecting the consolidation with

the bank's 1978 profits do not operations, grew to £358m from to pay off and the Graz factory reflect any earnings from the £298m and total deposits, on the related increase in share same basis, to £557m from vehicles to help meet the £x-capital.

Daimler-Benz lifts production:

DAIMLER-BENZ, the German motor manufacturer. plans to step up its car profile-tion in 1979 to the record lessel of 420,000 units. The barreness announced by Herr Bake Schraidt, a member all the group's board, thould go some way inwards entire the schools tial delays on deliveries; of Mercedes cers.

The announcement indicates that the group's car production plans are back on colliss Daimiet Benz intends to bell motor car production applies motor car production up to 450,000 units a year by the bid of 1982 but last year, being to of the long strike in the Basis. Waerttomberg engineering adustry, unit production to the long spaces to 401,255 units in 1977.

Herr Schmidt, in a statement coinciding with the opening of the Geneva motor show, per dicted that this year would this good one for the motor industry An example of this, he said, was the market for four wheel drive cross country vehicles. This appeared to be expanding

at an annual rate of between 5 Nordic said its international per cent and 10 per cent. Nordic increased its share business, based on London. The group's co-operation with holding in Nordinanz-Bank Singapore and Hong Kong, ex Steyr-Daimler-Puch of Austria Zurich to 60 per cent from 6.15 panded last year. The loan in producing the Puch "G" per cent at end-1978. However, portfolio, excluding Nordinanz's Cross-Country car-was beginning

SWISS CAPITAL MARKET 🛬

Upsurge in foreign demand

RECEDING FEARS of further years through Credit Suisse and . John Wicks adds from

a financial package amounting to SwFr 1.5bn, one of the largest ever for a foreign Government in this market while Australia is raising Meanwhile the Japanese

Ministry of Finance has allowed 52 Japanese corporations to float external bonds worth about \$1.6bn in the second quarter of the current year. The lion's share is expected to be in the form of Swiss Franc denominated private placements, 35 of which will be convertible, the balance straight bonds. Swiss Franc denominated issues will account for an equivalent of \$1.12bn of the total. The financial package being

the credit are not yet known.

appreciation of the Swiss franc a six-year loan with a fixed Zurich: as yet it is not yet clear

weeks has already led to the cancellation of issues for Honda Motor and Sankyo Electric. Both firms are now discussing arranging bonds on the Swiss Franc market and Honda Motor for SwFr 100m through UBS. Meanwhile Rhythm Watch has decided to cancel its planned Deutsche-Mark issue while Aoki director of the Swiss Bank Cor-Construction is understood to poration, said in Basie ses-be thinking along the same terday that last year Japanese

offered early next month and Japanese convertible on the DM large volume" of new Japan market is for Chujitsuya Com- Swiss franc notes would be Australia's package is also pany, and carries a coupon of placed within the time foresplit in three equal tranches. 45 per cent. The expected seen. The reception of the notesa private placement with a coupon on the Honda Motor would depend on the overall coupon of 31 per cent for seven Swiss franc bond is 21 per cent. condition of the market.

appreciation of the Swiss franc and the low interest rates available for good quality borrowers have resulted in a resurgence of foreign demand on the Swiss capital markets.

Canada is currently arranging a financial package amounting the surrowers amounting the surrowers amounting the surrowers and surrowers the Japanese plan in the next quarter, 40 are expected to be denominated in Swiss Franc and to be in the form of private placements. They include such well known names as Nissan Motor and Mitsubishi Electric.

The deterioration of the West German capital market in recent weeks has already led to the There is also some doubteas

to whether the National Bank will approve the numer us Japanese issues now announ Earlier this week a National Bank spokesman said it was too early to comment. Dr. Franz Schmitz, managing

notes had been snapped up by The financial package being arranged for Canada is split in three equal tranches, all can raise Swiss franc denominated for paper on the Swiss market. It is switzerland. The private placement carries a coupon of 3 per cent for six years while terms because the bounds which will be ones at present. The latest doubts, however, whether were convertible on the DM large volume of the snapped up 100 investors in view of the shortage of paper on the Swiss market. Japanese borrowers had in 1778 been the biggest single group on the country's private placement for the bounds which will be ones at present. The latest doubts, however, whether were affected early next month and Japanese convertible on the DM large volume of new Japanese

SWISS FRANC BONDS TO BE ISSUED BY JAPANESE COMPANIES IN 2ND QUARTER 1979

- Name	Type Amount (mit.)	Jap. Broker	Name Type Amo	
Tsubakimoto Chain Sekisui Prefab Okumurasumi Mitsubishi Ele. Toblahima Const. Kyortsu Tokyu Depart. Onoda Cement Kyowa Hakko Sekisui Chemical Ana Mitsui Osk Kac Soep Japan Aviation Ele. Odakyu Railway Clarion Uny Nissan Moror Dailel Murata Syowa Densen	S/B 25 100 100 100 100 100 100 100 10	Nortura Daiwa Daiwa Daiwa Daiwa Daiwa Nomura Nomura Nikko Yamalchi Nikko Yamalchi Nikko Daiwa Daiwa Daiwa Nikko Daiwa Nikko Daiwa Nikko Daiwa Daiwa Nikko Nomura Nomura Nomura Nomura	Fullys Contac. C/B Kubota C/B Kubota C/B Nippon Jutaku Pin. S/B Gunei Chem. C/B Fulitsu C/B Nippon Shimpan C/B Sumitomo Cement C/B Mitsukoshi C/B Ricoar C/B Ryobi Mig. C/B Nihon Radiator C/B Nihon Radiator C/B Dalnippin Ink	30 Nikko 50 Nikko 20 Danes 80 Nikko 50 Nikko 50 Nomuse 40 Nomuse 30 Nomuse 30 Nomuse 30 Nomuse 30 Vemaloh 70 Yemaloh

Extract from Audited Accounts 31st December, 1978.			
	1978	1977	
	£,000	£,000	
Share Capital and Reserves	19,707	17,347	
Subordinated Loans	11,918	12,536	
Deposits	435,051	423,822	
Total Assets	505,743	487,681	
Consolidated pre-tax profit	6,737	6,067	
Dividend paid (10%)	700	700	

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Credit Lyonnais

CREDIT COMMERCIAL DE FRANCE As part of its expansion programme abroad. Credit

Commercial de France has opened a Representative Office Frankfurt, West Germany, which is being managed by Mr. Erich STROMEYER.

The inauguration of this office on the 21st February was the occasion for a reception in Frankfurt, which was attended by Mr. Jean-Maxime LEVEQUE, Chairman of Crédit Commercial de France. Crédit Commercial de France has always maintained a close relationship with the German banking community as a whole. This relationship has improved especially rapidly in

role Credit Commercial de France plays in this sector of Crédit Commercial de France is a member of the Inter-Alpha group of banks, whose partner in West Germany is the

the field of International Bond Issues, due to the important

Berliner-Handels und Frankfurter Bank. The opening of a Representative Office in West Germany emphasises the wish of Crédit Commercial de France to broaden its knowledge of the industrial and commercial environment of West Germany with a view to facilitating its customers' activities on the German market.

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ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London, EC3V 3PB. Tel.: 01-623 6314. Index Guide as at February 22, 1979 Capital Fixed Interest Portfolio Income Fixed Interest Portfolio

Clive Fixed Interest Income

INTL. COMPANIES and FINANCE

Ormania Bank

Profits increase surpasses forecast

BY HUGH PEYMAN IN HONG KONG

HE HONGKONG and Shang- by a one-for-10 bonus issue. ai Banking Corporation surrised even the most optimistic an April 20 extraordinary meeting for the most optimistic an April 20 extraordinary meeting that authorised capital bear an april 20 extraordinary meeting that authorised capital bear and the many fear will HK\$1.25bn. This capital authorised capita i deflationary by announcing i unaudited 1978 net group sofit increase of 39 per cent with Marine Midland Banks of ec approximately HK8727m Buffalo, New York, which has 383151 45m) from HK8522m already received shareholder 1977. The profit of the bank, approval. gluding dividends from subglaries, rose 38 per cent to of between 555924m from HK\$4284m. The Colony's leading bank, thely regarded as the unficial central bank; also prosed a one-for-two bonus issue at a 13 cent final dividend rise £60 cents, making an annual tal of 80 cents, against 65 mts in 1977, on capital raised

Howard Smith

advances

to record

By James Forth in Sydney

the paid on capital increased

14 34.7 cents in 1977-78.

one for three scrip issue.

cents a share, compared

DIVERSIFIED scrap metal

med a strong recovery in the

sember half-year, converting A\$1.53m-loss in the same pre-

es period to a profit of 15m (US\$2.4m). A recovery

d been forecast because of

eko-Wallsend the mining

reignden

echant, Sims Consolidated.

: 1978. The result would have

en bigber but for industrial

The bank will recommend at isation increase is presumably associated with the merger with Marine Midland Banks of already received shareholder

Most analysis expected profits much better than looked for results may arise partly from the need for fuller disclosure required by U.S. banking regulations with which the bank will

HKS 100m to its published reserves of HK\$ 1.43bn, which after dividends will leave HKS 122.8m to be added to undistributed profit

Monetary growth is described by the bank as "excessive" during 1978 in major trading countries, and there was a trendtowards higher interest rates in the U.S., UK and Hong Kong in the latter part of the year. No immediate reduction is foreof between HK\$ 660m and seen by the bank in the gener-HK\$ 670m at the best, and a sleep by the bank in the gener-one-for-four bonus issue. These view of this and an expected slow down in growth of major economies, the bank does not think 1979 profits will rise as

posed increased capital These results round off a very Hong Kong banking sector

THE HONG KONG and Yaumati Ferry Co. raised its consolidated net profit 46 per cent to HK\$16.1m in 1978 from HK\$11.02m in the previous year. Final dividend was raised 10 cents to 80 cents for an annual total of HK\$1.20, a 10 cent gain over 1977.

The ferry company started a hover-ferry service last November to the Chinese port of Canton. It plans to expand the service later this year with the much as in 1978. However the introduction of night services in total distribution is likely at addition to the three daily runs have to comply.

least to match the 1978 level, of on the 65-mile Hong Kong-toThe bank proposes to add 54 cents per share on the proCanton route.

Earnings growth at Bank Leumi

BANK LEUMI — Israel's bank's rate of growth was well the group. Its four overseas oldest and biggest bank and one ahead both of the devaluation subsidiaries with a total of 20 and the local rate of inflation. The growth in profits at a investment and traing corporative metals are controlled in the second of the growth in profits at a investment and traing corporative metals are controlled in the growth of the growth in profits at a investment and traing corporation. OWARD SMITH, the shipping gineering, coal and sugar mp, lifted its profit almost per cent, from A\$11.53m to its net profit by 33 per cent to LE719m (\$41m) in 1978, Operating income increased 54 per cent record A\$14.05m (U.S.\$16m) to 152.3bn, and extraordinary ouble in mid-year which sulted in substantial-lost pro-

income 43 per cent to If653m. The cash dividend is unchanged, at 16 per cent, but the bonus share distribution is increased to 38 per cent, from 331 per cent in 1977. sulted in substantial lost proletion for the engineering
this did at 20 cents a share, with
that a payment of 15 cents. It

expanded 63 per cent to 1£350m:
1£247.9bn (\$13bn) at end-1978. The policy of keeping includes resulting from changes in the rate of inflation: exchange rate of Israeli pounds the German Mark-and from

rate lower than the expansion of activity resulted from a num-

ing credit squeeze, which deficits and thereby an increase in the payment of liquidity

The growth includes increments and commission rates below the ● Investment of I£500m new —in particular a decline of installation and services and 23.6 per cent against the U.S. the expansion of its inter-dollar and of 43 per cent against national operations.

the 48.1 per cent rise in the international base is currently foreign currency—in Israel consumer price index. Thus, the one of the main concerns of by the overseas subsidiaries.

subsidiaries with a total of 20 tion account for 15 per cent of the consolidated balance sheet. tinuing to extend loans to branch to be opened in London customers, despite the prevailing credit sources and the tenth and eleventh branches in the U.S. and a banking subsidiary in Uruguay. Overseas activity has been facilitated by the Israeli Govern-

ment's liberalisation of foreign currency regulations towards the end of 1977. The liberalisation enabled Israeli residents to obtain loans in foreign currency and to diversify their savings portfolios with foreign currency investments. As a result, twothirds of the entire balance The broadening of the bank's sheet represent operations in international base is currently foreign currency—in Israel and

SAAN ahead in difficult year

BY JIM JONES IN JOHANNESBURG

tantial increases in the price DURING 1978, the first year of Less advertising space was commercial television in South sold than in 1977, though scrap metal over recent industrial group, recently ciated reported a marginal operating munced a A\$62m takeover profit increase to R3.33m for Sims, which has the (\$3.92m). This was achieved in ing of the Sims Board. a year when most of the in-dependent English language directors have declared an dividend of 2.5 cents. newspapers suffered circulation th can be retained by shareers accepting the Peko offer. downturns

South African Asso- revenue which might otherwise Newspapers (SAAN) have been lost was partly offset have been lost was partly offset by higher-rated tariffs and the revenue decline was more than compensated for by higher cover prices and a gain in circulation

At present South African newspapers are plagued by fast

increasing newsprint prices with, this year, the full effects of the latest 12 per cent rise to be felt. However SAAN avoided the full rigours last year. With lower advertising volumes and lower circulations, newsprint savings were substantial.

Management is taking a cautious approach to prospects for 1979 with trading conditions expected to become increasingly difficult. Labour and fuel cost increases will raise distribution costs while, unless circulations fall further, which would eat advertising revenue, the possibility of making further savings in newsprint costs is

On this basis, management has been conservative in its dividend distribution policy, with earnings per share of 125 142 cents) uncents (1977: changed total dividends of \$3 cents have been paid. Ahead of the results the shares rose 10 cents to 410 cents.

• Pre-tax profits of R7m com pared with R12m for six months ended December 31 were recorded by the shipping con-cern South African Marine. Earnings per share were 17.5 cents, whereas taxed profit stood at R6m (R8m).

UOB final improves by 25.7%

By H. F. Lee in Singapore THE United Overseas Bank (UOB) group has chalked up an impressive 25.7 per cent improvement in post-tax profit for the year ended December. 1978. After providing for diminution in value of assets and allocation to contingency reserve the rise was \$\$28.5m in 1977 to \$\$35.83m (U\$\$16.51m). In 1977 the in-crease was 15 per cent. At the bank itself, post-lax profit went up by 22.6 per cent

-against 20 per cent previously to \$\$26.15m (US\$12.06m). The higher growth at group level reflects increased contribution from the group's sub sidiaries. particularly Chung Khiaw Bank and Lee Wah

The proposed final gross dividend is 71 per cent on the enlarged capital of S\$175.69m. The capital was increased as a result of a one-for-ten bonus issue last May and the recent issue of 4.475m new shares to acceptors of the recent offer to Singapore Finance

Sethack for Prima

PRIMA, the major Singapor flour miller suffered a setback in 1978 with post-tax profit declining sharply, by 39 per flour miller, suffered a setback cent to S\$4.61m (U.S.\$2.1m). The operating profit, however, declined less sharply, by 15 per cent to \$\$10.6m. writes H. F. Lee from Singapore.

Prima gave no reason for the setback, but it is apparent that the reversal was suffered in the second half of the year, Group operating profit during the firsthalf rose by 14 per cent-to S87.8m, which means that the group achieved an operating profit of only \$82.8m in the second half of the year. Moreover, group taxation was 3 per cent higher, at S\$5.95m in 1978, while provisions for depreciation and amortisation remained practically unchanged

Japanese chemical companies to merge

By Yoko Shibata in Tokyo SHOWA DENKO, a leading Japanese chemical company and Showa Yuka, its diversified petrochemical company subsidiary, have agreed to merge on an equal basis on July 1. Showa Denko owns 81.7 per cent of Showa Yuka, and about 80 per cent of Showa Yuka's Y100bn annual soles is distributed through Showa Denko's sales channels. As a result, the annual turn-

over of Showa Denko will increase only by Y25bn. Showa Denko, however, will benefit from the rationalisation and consolidation of its

husiness. Showa Denko was a maior aluminium and ferroalloy producer—fields which require large amounts of energy consumption—and was hit hard by the oil crisis. It suffered deficits from 1975 to 1977. The company policy has been its production to petrochemicals. Irom electrode chemicals. In line with this, company has begun to strengthen and expand Showa Yuka's petrochemical produc-tion lines. In 1977 Showa Beuko pushed completion of a ethylene plant for Showa Yuka (with annual production enpacity of 300.000 tons) in Oita prefecture. opposition from the industry as a whole

Showa Denko separated off its loss-making aluminium refinery division and shifted it to its subsidiary Showa March last year, and plans to hive off its ferrochromium plant in Tovama shortly. As a result. petrochemical produets will account for more than half of Showa Donko's annual sales. Showa Denko will foin the ranks of integrated chemical companies with ethylene plants, such as Mitsubjshi Chemical Industries and Sumitomo Chemical Industries.

Showa Denko yesterday announced its results for 1978. Because of the separation of its aluminium refinery division, its sales declined to Y280.3bn (\$139m) from Y372.7bn in fiscal 1977, or by 25 per cent. However, its profit performance improved as a result of its rationalisation measures to cut down loss-making lines such as the aluminium division. Its operating deficit was reduced to Y0.48hn from the previous year's Y4.6bm, and net profits of Y3.7bn, were made, whereas in 1977 there was a net gefieit'- Y1.9bn

Nordic Bank

Summary of Audited Accounts for the year ended 31st December, 1978

,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	
Consolidated Balance Sheet	1978	1977
(see note below)	£'000	£,000
Share Capital	30.000	9,333
Reserves	13,709	4,343
·	43,709	13,676
Subordinated and Capital Loans	29,675	18,163
Minority Interest	23,186	
Total Capital Funds	96,570	31,839
Current Deposit and other Accounts	972,484	426,024
Total Liabilities and Shareholders' Funds	1,069,054	457,863
Cash at Banks, Money at Call and Short Notice Certificates of Deposit and Bills of Exchange Deposits with Banks Listed Securities Loans and Advances, repayable within I year Loans and Advances, repayable after I year Other Assets	133,559 60,379 165,416 21,005 262,227 385,652 40,816 1,069,054	55,839 6,701 129,091 164,334 16,871
Total Assets	1,009,054	451.400.5
Consolidated Profit and Loss Account (see note below)	000°£	£,000
Operating Profit	4,729	3,132
Profit before Taxation	3.263	2,212
Taxation	1.363	1.190
Profit after Taxation	1,900	1,022

Note the consolidated balance sheet incorporates the accounts of Nordfinanz-Bank Zurich, in which Nordie Bank increased its shareholding from 0.15% to 60% on 31st December 1978. The 1978 consolidated profit and loss account does not reflect any earnings from the related increase in share capital.

Nordic Bank Limited

Nordic Bank Limited Nordic Bank House 41-43 Mincing Lane London EC3R 7SP Telephone: 01-626 9661 Telex: 887654-5

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Copies of the Annual Report may be obtained from the Secretary's office

NORDFINANZ-BANK ZI



Extract from Audited Accounts 31st December, 1978

70-Tames Cheek	1978	1977
Balance Sheet	SFR.	SFR.
	milion	million
Share Capital	65.0	65.0
Reserves	79.3	74.1
Balance carried forward	1.0	1.0
Total Capital Funds	145.3	140.1
	• • • • • • • • • • • • • • • • • • • •	
Current Deposit and other Accounts		1,251.0
Total Liabilities and Shareholders' Funds	1,501.4	1,391.1
	•	
Cash at Banks,	. : :	
Money at Call and Short Notice	58.6	57.3
Deposits with Banks	297.9	212.9
Bills of Exchange	130.3	120.6
Listed Securities	· 40.5	20.3
Loans and Advances	910.9	914.6
	63.2.	
Other Assets	1,501.4	
Total Assets		<u> </u>
m. ci Tam kainmt	SFR.	SFR.
Profit and Loss Account	million	million-
ing and the second seco	19.8	19.4
Operating Profit	15.6	15.5
Profit before Taxation	3.9	:4.0
Taxation	··	
Profit after Taxation	11.7	11.5
4.0		

This announcement appears as a matter of record only.

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February 1979

New emphasis on innovation in defence research

BY DAVID FISHLOCK, Science Editor

brains in Britain have recently begun to meet in smallish of Defence in which there may feasibility of the project probe an opportunity of striking posed to meet it. out in a novel direction. This is one sign of a new trend in before the Defence Equipment defence thinking in Britain: to Policy Committee, the chairman

This "trawl" of British brains for fresh thinking on as the economics, how developdefence problems is the idea of permanent secretary rank, is a Professor Mason then reports to to the topic under discussion. member of the Defence Council and chairman of the Defence Research and Intramural Resources Committee. He is also an authority on chemical physics — the physics of crystals — with a chair at the University of Sussex.

Defence procurement policy vas the prototype for the new "hard line" in research management introduced by Lord Rothschild, head of Mr. Heath's think tank " in the early 1970s. This is the customer/contractor relationshin: "The customer says what he wants: the contractor does it (if he can); and the customer pays." It has worked well for defence with its close relationship with Britain's hightechnology industry. With the possible exception of medical science, it now appears to be working well in civil sectors of science, But Professor Mason has ninpointed a weakness he helieves is beginning to threaten

contractor relationship works in defence. The ministry's research laboratories have been re grouped into a dozen big volved in project management— 'real coalface stuff." as he puts called innovative.

SOME OF the best scientific Operational Requirements Com- tion of its defence budget on brains in Britain have recently mittee, which includes scientists R and D than some other counfrom Professor Mason's staff. This committee questions the

> If passed, the proposal comes about 13-14 per cent. the Secretary for Defence.

Missing link

last year, among them the hightank weapons; the AST 403 pro- to the target. Space scienceguided munitions. Projects of this magnitude—the torpedo. for example, could be a £800m In the course of the major

British reorganisation of British defence R and D during the 1970s, aims of which were both to save costs on running the defence laboratories and to get fighter control of the prodigious R and D costs of new ventures. long-range end of research: the innovative role which spawns recommending that some 10 per London. Most of his staff are in- more than 150 are engaged on research that can truly be in this area, called innovative. "Just to Guests at

suming interest to the Ministry logic of the requirement and the R and D. the U.S. about 17 per cent, and France about 15 per cent. But Britain spends only

Professor Mason's defence science seminars are just a start put more basic research, more of which is Professor Mason him-freedom for innovation, back self. If this committee accepts to innovations. They are groups the case made for the project, it of about 50, mostly academics begins to crank in such factors but with some directors of industrial research, and all very ment will be shared with informal. The ministry provides Professor Ronald Mason, 48, who a very and—above all nowatine with a state-of-the-art days—the prospects for an paper to launch the discussion. Chief Scientific Adviser to the Ministry of Defence. Professor Spread the development costs light-handed about the Official Mason, who carries equivalent over a larger number of orders. Secrets Act. applying it strictly

Plans for further defence science seminars are being laid for such topics as artificial Several major projects have intelligence, where such technegotiated this course in the nologies as the microprocessor are bringing close the prospect speed tank to replace the Chief-tain in the late 1980s: new anti-choose and find their own way pect for a new aircraft to replace one of the fastest-growing ing this arm of the scientific the Harrier and Jaguar; and a sectors of science—is another, civil service. Both are connew "smart" torpedo, first of with possibilities unfolding for vinced they are falling to attract what should turn out to be a dogfights between satellites and their "fair share." new kinds of weapons such as laser weapons which take programme — normally require of space. A third is the Cabinet approval. relationship between man and

The whole area of " electronic warfare." tied up closely with electronic counter - measuressuch as jamming the enemy's radars - and counter-countermeasures, presents a major and constant challenge, commanding something got lost, believes Pro- all the intellectual resources fessor Mason. This was the the Ministry can muster. The bio-sciences also present a new the completely novel solution. developing rapidly. But there Where Lord Rothschild was is public revulsion at the idea of spreading disease as a weapon recommending that some 10 per of spreading disease as a weapon cent of an R and D budget of war. The Ministry of Defence might be devoted to activities recently closed its Microsoften ther complex a staff of an R and D budget recently closed its Microsoften ther complex a staff of projects, in defence the truly about 28,000 and spend upwards "untargeted" research may were told last mouth, is transfered to Mr. John Charplex, as per cent — about £5m — of the controller of research and development at the ministry in London. Most of his staff are inmore than 150 are engaged on a pact with the U.S. for research a pact with the U.S. for research

it. double this could be very seminars so far have been which universities are neglect-significant."

Projects are usually proposed by one arm of the services. say Underlying the situation is for a new aircraft or tank. First. the fact that Britain is spending the proposal is analysed by the a significantly smaller proport. Edwards. of the University of gap.

Cambridge, chairman of the long-established Defence Scientific Advisory Council, he has been investigating the possibility of drawing upon expertise in Holland. They are excited by work on artificial intelligence and human factors engineering at the Dutch Government's TNO laboratories.

According to Dr. Charnley, the evidence from the two seminars staged so far is that British defence research has not slipped behind yet in its ideas. But the innovative function is in need of some repair." He admits that there are examples of weapons systems which have been committed to production before the research and development was fully worked out.

Talent tears

What worries both of these scientists, however, is that the high priority given during the 1970s to project management may have discouraged many bright youngsters from enter-

research has therefore received a boost in the latest defence estimates. Most of the £1.15bm allocated for 1979-80 will still be spent on the development of specific weapons systems, with four-fifths of it spent in industry's research centres and one fifth in the ministry's establishments. But about £150m will be committed to research unconfined to a specific project but concerned more broadly with the problems of, say, developing a new generation of smart torpedoes or guided

Beyond this, they will be making every effort to steer more money into the univer-sities. As Professor Mason sees it, part of the weakness in exploiting innovation in Britainrecent paper from the Cabinet Office—lies in a poor interface between industry and the universities. He cites systems engineering, basic to much new product development nowadays. Guests at the defence science as one example of a discipline



Rembrandt country is Rabobank country.

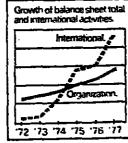
vet created art with a worldwide appeal. The Centrale Rabobank also finds its inspiration in Holland... yet increasingly provides services in the world at large clients unparalleled on-the-spot service.

With a strong agricultural background, the Centrale Rabobank heads a cooperative banking organisation with over 3100 offices and a combined balance sheet total exceeding 61 billion Dutch guilders (in excess of US \$ 26 billion) in 1977.

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Kembrandt found his inspiration in Holland, other major European cooperative banks. This, together with the support of London and Continental Bankers Ltd., has strengthened our operations by giving international



In addition, we are active in the Euro-currency and Eurobond markets. Our international transactions in foreign currencies, Euro-credit loans and participation in new issues, are showing a remarkable growth.

Centrale Rabohank, International Division, Catharijnesingel 20 P.O. Box 8098, Utrecht. The Netherlands, Telephone 030-362611. Telex 40200

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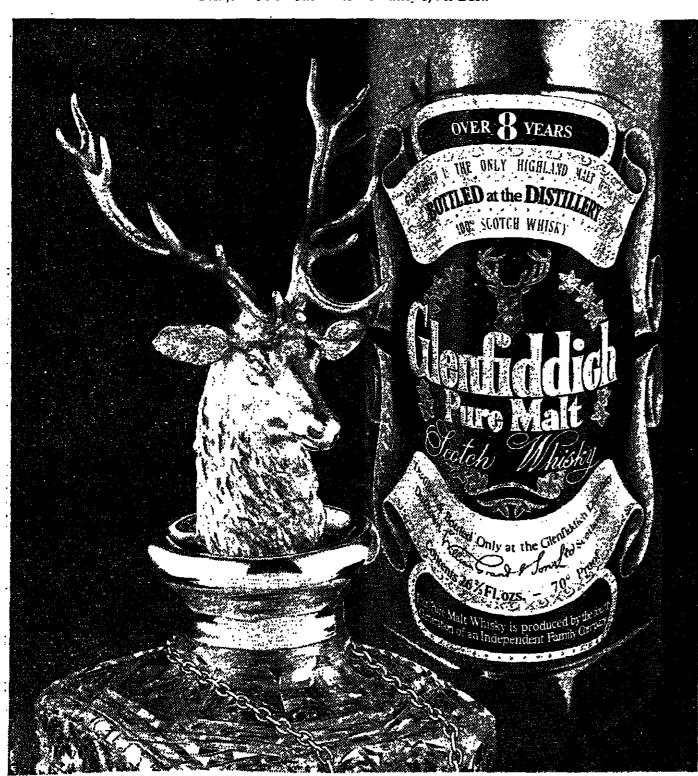
There's only one way to take Glenfiddich.

Seriously.

You can take it straight.

Or with a little plain water. But do remember that you're tasting no ordinary Scotch. Glenfiddich is a pure, single malt. Distilled in the ancient way, in traditional handbeaten copper stills. The result is, perhaps the finest whisky the Highlands have to offer. Take it slowly. Take it seriously.

'Glenfiddich' in Gaelic means 'Valley of the Deer.'



107th Annual Report



		s expressed in Danish kroner			s expressed in Danish kroner
Balance Sheet. Two-Year Summary	1978	1977	Profit and Loss Account, Two-Year Summary	(978	1977
ASSETS Central Bank, domestic and foreign banks, cash in hand Advances Portfolio of securities Guarantees Other assets	7,447 13,200 5,584 5,502 2,706	5,731 11,579 6,035 5,283 2,415	Interest, etc. and other earnings from ordinary operations Interest paid Profit on ordinary operations before expenses, etc.	3.079 4 1.847.5 1.231.9	2.825.2 1.767.6 1.057.6
Assets, total	34.439 (US \$ 6,761)	31,043 (US \$ 6.094)	Wages salaries and pension payments	(US \$ 241.8) 588.2	(US \$ 207.6) 535.7
Central Bank, domestic and foreign banks	7.483	4,318	Other expenses Profit on ordinary operations before depreciations, etc.	301.3 342.4	243.2 278.7
Deposits Guarantees Other liabilities Subordinated loan capital	17.402 5.502 1.437 620	17.582 5.283 1.417 609	Depreciations and allocations to reserves	(US \$ 67.2) 145.6	(US \$54.7) 84.2
Share capital Reserves Liabilities, total	751 1.244 34.439	751 1.083 31.043	Extraordinary income and expenses Profit before adjustments for gains losses on securities.	2 2	29.9
	(US \$ 6.761)	(US \$ 6,094)	and taxes Adjustments for gains losses	199.0 (US \$ 39.0)	224 4 (US \$ 44.1)
This is only as outwood from the	a balance about	مادات	on securities Profit before taxes	159.0 358.0 (US \$ 70.3)	98.3 322.7 (US \$ 63.3)
This is only an extract from the profit and loss account. The ci- be obtained from our main off 12. Holmens Kanal. DK-1092	omplete annual ice, Den Danske	report carr	Taxes Net profit for the year	105.4 252.6 (US s.49.6)	90 2 232.5 (US \$ 45.6)

Copenhagen, 15th February, 1979. **GENERAL MANAGERS** H: Maegaard Niels

BOARD OF DIRECTORS Dan Bjørner Henning Mikkelsen

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Mogens Pagh

Deputy Charman

Kield Philip

Sally Haslund Korsgaard

918, New Yurakucho Building 12-1 Yuraku-Cho I Chome Chiyod∻∸si Tokyo 100

AFFILIATED BANKS

P.O. Box 5345 Menanca Bahram

New York: Scandmavian Bank Limited Representative Office 245 Park Avenue Nov. York, N.Y. 10017

Hong Kong:

Banque Scandinavo en Se

Case Postal 901 CH-1211 Geneva 3

Shandinanz AG

Zürleh:

ERNAT

dol

MONEY

Markets CURRENCIES, MONEY and GOLD

Sterling firm: dollar improves

terling remained firm overall Government stocks recently. The the foreign exchange market pound was fixed at DM 3.7410 against the D-mark, compared the levels touched during with DM 3.7230 on Monday morning. The pound specied Trading was light however, with 2.0265-2.0275, and touched a Frankfurt trading finishing early point of \$2.0270-2.0280 in morning where the Bank of were celebrating the last day of Mand may have intervened the Carnival Season before the onset of Lent. The dollar eased the Carnival Season before the conset of Lent. The dollar eased to DM 1.8407 at the fixing, from DM 1.8407 at the fixing, from DM 1.8407 at the fixing, from DM 1.8405 previously, and the Bundesbank did not intervene. News that Kuwait is raising oil prices by 9 per cent was the major factor behind the dollar's decision to increase all currency soon began to Bundesl
repre against a background News if
more favourable news from prices |
Middle East: Despite major f
decision to increase of decline. MILAN—Sterling rose to a record level of LL,700.25 against the Italian lira at yesterday's hopes of renewed soils from Iran and the holdof oil prices by Saudi Arabia ed the dollar to gain ground

the Italian lira at yesterday's fixing, an improvement of six points from the previous day, and a gain of nearly 30 points from early this month. The Demark and Swiss franc also strengthened against the hratbut the dollar and Japanese yen lost ground. The Bank of Italy was a net seller of dollars, when the U.S. currency was fixed at L839.80, compared with L840.30 previously. This Swiss franc rose en the deliar to gain ground sist other major currencies. ferling eased to a low point 2.0205-2.0230; a rise of 15 points he day. The pound's tradehted index, as calculated by Bank of England, rose to from 64.2, the highest since March, 1978. dollar's trade-weighted eciation, on Morgan
anty figures, narrowed to
yer cent from 8.3 per cent
dollar closed at DM 1.8510
rms of the D-mark, compared
TM 1.8160 previous previously. This Swiss franc ros to L505.70 from L503.91, and th Justin Laber in Laber

rms of the D-mark, compared DM 1.5460 previous, and improved against the Swiss, finishing at Swfr 1.6660, ared with SwFr 1.6617} on lay. A slight gain was also ded against the Japanese with the U.S. currency to Y201.96 from Y201.85.

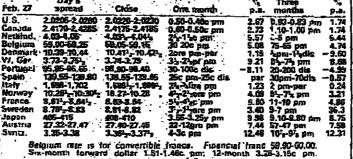
RIS—The dollar recovered is the French frame in thin ms. in the absence of any tion to support the dollar was detected as the dollar can under some pressure followir confirmation that Kuwait has i creased oil prices by 9 per cen The U.S. currency eased from a The U.S. currency eased from an early rate of SwFr 1,6585 in terms of the Swiss franc, but recovered to SwFr 1,8625 by early afternoon. Sterling remained firm, helped by the prospect of higher oil prices, rising to SwFr 3,3675 by early afternoon, from SwFr 3,3650 at the orangement of SwFr 3,3650 at ng, in the absence of any the previous close

Ise of a strike. Speculation frantan oil production could a 3m barrels a day within the previous close.

TOKYO—The dollar showed little change, closing at Y202.021 and FFr 4.2625 fate lay. Sterling continued to finishing at FFr 8.6330 of lay. Sterling continued to finishing at FFr 8.6330 of lay but the D-mark and if franc were slightly weaker.

ANKFURT — Demand for ag continued, reflecting the tiveness of London interest to foreign investors, banks and export covering by to foreign investors, banks and export covering by thing the West Germans, Japanese Corporations, touching have been buying British a low point of \$201.80.

THE POUND SPOT AND FORWARD



THE DOLLAR SPOT AND FORWARD



CURRENCY RATES	CURRENCY MOVEME	NTS
Bank Special European February 25 rate Drawing Unit of \$ Rights Account	February 27 England Gus	rgan tranty
Sterling 1212 0.639311 0.678578 U.S. 5	Danish krone	2 8.9 9.7 5.4 ,5 2.1 2.8 1.0 1.1 1.1

Feb. 27	: Ε	5	1	Note Rates
Argentina Peso Australia Dollar	1.7890-1.7940	1095 1104 0.8850-0.885	Alistria Belgium	25.75-27.75 59.5-60.5
	44.33.45.33 8.01-8.03 72.760-74.584	\$ 35.97 -36.85		3.67-3.77
fran Rial Kuwait Dinar (KD	9.75-9.75 147.64-157.75 1 0.551-0.561	73-78 0.2724-0.277	Italy	
-Luxembourg Frc. Malaysis Dollar New Zealand Dir.	4.415.4,435	29.21-29.25 2.1885-2.189	Norway Portugai Spoin	10.23-10.33 90-97 139-5-144.5
Saudi Arab, Riyal Singapore Dollar.	6.75-6.85 4.37-4.39	:5,3374-3.4869	Switzerland United States	5.30 5.40 2.0200-2.0300 41.43

Rata given for Arpentine is free rate.

HANGE CROSS RATES

March, 1978.

	Feb. 27	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	italian Lira	Canada Dollar	Belgian Franc
	: Sterling	0.494	2.025	3.745 1.852	409.0 202.2	8.685 4.269	8.370 1.666	4.043 1.999	1699. 840.0	2.418 1.196	59.19 29.22
	elemark jes Yen 1,000	0.267 2,445	0.940 4.945	9.156	109.2 1000.	-2-306 21.11	0 900 . 8.240	1.079 9.884	. 453,7 4154.	0.546 5.912	15.78 144.5
	h Franc 19 Franc	1.158 0.297	2.342 0.500	4.537 1.111	473.7 121.4	10. 2.562	3 903 1.	4.682 1.200	1968. 504.2	2.800 2.718	68.44 17.54
_	Budder Lira 1.000	0:247	0.500 1.190	- 0.926 2.204	-101.2 240.7	2 1 <i>5</i> 6 · · · 5 082	·· 0.834 ·· 1.984	2.379	- 428.3 1000.	0.598 1.423	14.68 34.79
	in Dollar Franc 108;	0.414 1.692	0.836 3.422	1.549 6.337	169.1 692.0	3.571 14.61	1 394 5.702	1.672 6.840	752.5 2875.	4.091	34.44 100.
				7-1.	A		2.0	Va- 7			

OTHER MARKETS

O-CURRENCY INTEREST RATES

eb. 27	Sterling :	U.S. Dollar	Canadian Dollar	Dutch Guilder, Swiss Franc	West German Mark	French Franc	.htqlian Lira	Asian S J	apanese Ye
term	hid 14 133,1376 137,1376 137,1376 1176,1176	10-10)4 1018-1056 1014-1019 1078-2110 1174-1174 2178-2174	834.954 844.951 10-6-10,1 1044-1114 1044-1114 1044-1144	71s-71s 1s-15 71s-71s 1s-15 51s-71s 1s-1s 61s-71s 1s-1s 61s-71s 1s-1s 51s-71s 1s-75	512-513 518-513 518-4 418-44 418-44	614-612 614-614 618-718 731-8 858-872 9-814	7-10 10-11 1134-1254 1214-1314 121 ₂ -131 ₂ 13-14	10 2 10 1 10 1 10 10 10 10 10 10 10 10 10 10	-2,-8;- 1;-8;- 25;-31; 35;4 4;-41; 5;5-41;

he following nominal rates were quoted for London deller certificates of deposit: one month 10.35-10.45 per cent; three months 10.65-10.75 per cent; is 11.05-11.15 per cent; los-10-5 p

TERNATIONAL MONEY MARKET

Paris call money cut

three-month money at down from per cent against 7-74 per previously. The six-month rate was d at 7%-7% per cont from per cent while the 12-month

remained at 73-7; per cent. USSELS — Following Monreduction of rates on short Treasury Certificates, the on four-month Belgian bond month.

londay to 61 per cent. This industrial investment, although to same level at which the market sources were unwilling of France buys paper when to suggest what move, if any, vening in the market, and the authorities may make today to 66? per cent for call with regard to the Lombard and y was seen as inevitable in discours rates. Deposit rates for ouarters. Longer term the Belgian franc (commercial) of was seen as inevitable in the Belgian franc (commercial, also declined with one-time area with 61-62 per cent were unchanged however, apart from one-month deposits which were with 61-62 per cent down from 71-82 per cent down from 71-82 per cent

MILAN—One and two-month money rates were increased yesterday by a per cent to 11; per cent and 11; per cent respectivelly. The rise was described as being due to mainly technical factors arising at the end of the ornth. sesterday's money market were with DM14.875 (\$260.30) previ-FRANKFURT — Interbank steady, with call money at 104 outly. papers fell at yesterday's FRANKFURT — Interbank on to 8.1 per cent from 8.3 money rates showed a rather

the learning that the seneral case of the seneral move towards promoting the seneral case of the seneral move towards promoting the seneral case of the seneral case o 4.05 per cent previously, and one-month money up at 3.95-4.05 per cent from 3.90-4.00 per cent. NEW YORK-13-week Treasury bills were quoted at 9.49 per cent and 26-week bills at 9.53 per cent. Federal funds traded at

10-101 per cent in generally steady market conditions. AMSTERDAM-Call money rose to 71-71 per cent from 7;-71 per cent and one-month mency was also firmer at 71-71 per cent compared with 73-72 per cent. The three-month rate was un-changed at 77-77 per cent while six-month money rose to 73.73 In Frankfurt the 123 kilo bar per cent from 71.73 per cent was fixed at DM14.740 per kilo HONG KONG—Conditions in (8247.80 per ounce). compared

Further

slightly firmer than the Monday close, but eased to \$247.80 at the morning fixing and \$247.30 at the afternoon fixing. The jowest level touched was \$246; 246; in the afternoon shortly after New

In Paris the 121 kilo gold bar was fixed at FFr 34.245 per kilo (\$250.54 per ounce) in the morning, compared with FFr 34,100 (\$248.50) Monday afternoon. In Frankfurt the 124 kilo bar

ously. February 27 February 26

MONEY MARKET

nterest rates decline

ink of England Minimum ending Rate 14 per cent since February 8, 1979) erest rates continued to tively short period since the ac in London yesterday introduction of the present rate continued buying interest.

-month sterling Certificates per cent drop. However, the past performance of MLR has tended from 122-122 per cent on lay, while discount houses with corresponding falls being of a gentler nature.

Day to day funds in the money

unting an MLR of 123 per days. Nevertheless the authorion the old formula, market ties lent a moderate amount to les were rather divided as to two or three discount houses at nominal in some cases.

sury bills eased to 11; per from 12; per cent. previous with MLR at a penal rate supply, although not on such an experimental as the previous factors. per cent and market rates acute scale as the previous few

Day to day funds in the money

whether the authorities would reduce the rate this Thursday,

with some pointing out the rela-

MLR for repayment today. They also bought a small amount of Treasury bills, leaving the total assistance still termed as moderate.

The market was helped by banks bringing forward balances a very large way over target. In the interbank market, overnight loans opened at 137-14 per
rent and cased to 14-141 per cent.
Rates tended to decline further
offer the authorities' help in the
fifer noon, but closing balances
were dearer at 17-18 per cent.

Rates in the table helow are night loans opened at 137-14 per-cent and cased to 14-141 per cent Rates tended to decline further after the authorities' help in the afternoon, but closing balances were dearer at 17-18 per cent. Rates in the table below are

IDON MONEY RATES

eb. 27 .979	Starling Cartificate on deposit	Interbank	Local Authority deposits	Local Auth, negotiable bonds	House	:Company :Deposits		Treasury	Eligible Bank Bills & j	Fine Frace Bills &
ight		134-18		, - ,	- ,	-	1212-14		; - ;	
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Ocal authority and finance houses seven days' notice, others seven days' fixed. "Lang-term local authority ogo rates nominally three years 124-125 per cent; four years 124-127, per cent; five years 124-13 per cent. Observed his table are buying rates for prime paper. Buying rates for four-month bank bills 113-113-per cent four-month trade 127; per cent are selling rates for one-month. Treasury bills 117, per cent; two-month 114 per cent, three months ser-cent. Approximate selling rate for one-month bank bills 124-123-per cent; two-month 127, per cent; one-month 118-117, per cent; one-month 127, per cent; one-month 128-per cent; one-month 129, per cent; one zen.

names Houses Bass Raies (published by the Finance Houses Association) 12% per cent from February 1, 1979

g Bank Deposit Rates for small sums at seven days notice 11 per cent

Clearing Bank Rates for lending for cent. Treasury Bills: Average tender rates of discount 12,2381 per cent

Gold fell \$1 to close at \$2474-\$248. It opened at \$2481-\$249;

York began trading.

Gold Bullion (fine ounce) fternoon (\$247.90 \$951.00 fixing £122,601) (£124,875) Gold Coins, domestically Krugerrand, \$270-874 (\$2831₂-2831₃ (£135±135₅) £141-145₁ (£135±135₆) £141-145₁ New \$7034, 725₄ (\$701₂-721₃ \$0vereigns £25-35) (£33-35) Old \$74-75 (\$74-75 Bovereigns £6361₂-371₂) ₁£365₄-376₄)

Gold Coins, internationally

MONEY RATES NEW YORK Prime Rate 11.5-11.
Fed Funds 16.0825
Treasury Bills (13-week) 9.49
Treasury Bills (25-week) 9.53 GERMANY Discount Rete 3 Overnight Rate 4

FRANCE Discount Rate
Oversight Rate
One worth
Three months
Six menths JAPAN

Discount Rate .. Call (Unconditional) Bills Discount Rate

Samphitustrast NA.

APPOINTMENTS

THE **BRITISH COUNCIL** Appointment of

The Board of the British Council invites applications for the post of Director-General, which falls vacant on 1 May 1980. The Director-General is the chief executive of the Council. The post is open to serving statt and outside applicants, men or women.

The Council's objects, as defined in its Royal Charter, are to promote abroad a wider knowledge of Britain and of the English language and to develop closer cultural relations between Britain and other countries. In developing countries most of the work is in the form of educational aid. The Council is represented in 83 countries overseas and has a staff of 4,300. The annual budget, including educational aid programmes administered on behalf of the Ministry of Overseas Development and others, exceeds £100 million.

Applicants should have substantial administrative experience, the ability to establish relations of mutual confidence with the Government departments, organisations and individuals with whom the Council works, both at home and overseas, and a wide knowledge of British culture. The post involves extensive

The appointment will be for an initial period of 5 years. The normal retirement age for senior Council staff is 60. The salary of the post will be £23,500 a year. The appointment is pensionable.

The closing date for applications is 30 April 1979. For further details and an application form, please write to the Secretary. The British Council 18 Spring Gardens, London SWIA 2BN, marking the envelope 'DG'.

COMPANY NOTICES

THE COMMERCIAL BANK OF AUSTRALIA HALF-YEAR RESULTS

HALF-YEAR RESULTS
The Directors announced that usualited group operating net profit for the balf-rear to December 31st. 1978. was Aust. Dirs. 18,495,000, an increase of Aust. Dirs. 18,495,000, (38.9 per cent) compared with the corresponding period of last year. After allowing for extraordingry least, group to profit was Aust. Dirs. 5,576,600 (42.4 per cent) higher at Aust. Dirs. 19,665,000.

The results of the banking companies, including adeparative figures, reflect the revised basis of reporting M. Kimpool, Califfman of Directors, sold that the results for the holi-year had been favourably influenced by several factors: year had been favoltrably influenced by several factors:

— Improved inferest spread in Australian Banking, reflecting the redge for the spread of the spread in Sanking and the redge for the spread of the spread

New Zealand. With the June 1978 hartvest the Increase is oberating profit
the Increase is oberating profit
the Increase is oberating profit
14.9 per tent 19.4 per period was
14.9 per tent 19.4 per period
tental increase of the year been
detared in respect of the year ending
June 30th, 1978, as follows:
——40 cents per preference stock unt
(last year 40 cents per unit)
——5.5 cents per ordinary stock unt
(last year 8 cents per unit).

Dividence will be gayable on

Clast year & cents per unit.
Dividends will be sayable on
Friday, March 23rd. To determine
members' entitlement, the transfer
books will close at 5.00 n.m. on Wednexday. March 7th and will re-overon Friday. March 5th.
There may be a few days delayin despatch of divisions warrants to
stockholders of the London resisterflue to the fact that English equivalent cannot be determined gutil rate
of exchange current on date of payment is known. DAVID DOSSIE. Managing Director

NOTICE OF FURCHASE
SHELL INTERNATIONAL FINANCE N.Y.
BLS. GUARANTEED NOTES DUE 1990 NOTICE IS HEREBY GIVEN to Note-halders the U.S. 520,000,000 nominal amount of his show issue was perchased in the granket duries the twelve month secret states and the secret month of UNION BANK OF SWIZZERLAND (SECURITES) LIMITED Purchase Agent ondon.

HIGSONS BREWERY LIMITED NOTICE 15 HEREBY GIVEN that payment of the interest in respect of the 51.9. Unsecured Lean Stock 2000/2005 due in 1st April 1879 will be made to those Loan Stockholders on the Resisters at close of business on the 16th March 1879.

127 Date Street. Liverpool [2 2]] 28th February, 1979

THE TOR INVESTMENT TRUST LIMITED NOTICE IS HEREBY GIVEN that the director of the Company

To authorise the directors to he the remuneration of the avoices. Registers of the Preferènce Shares and locome-Sharet will be Closed from 10th March to 73rd March 1979 inclusive. By Order of the Board J. TODD, Secretary

N.V. ENGELSCH-HOLLANDSCHE

BELEGGINGS TRUST

(English and Dutch Intestment Trust)

Established in Amsterdam

PARTICIPATION CERTIFICATES

(Issued by Boyal Exchange Assurance)

NOTICE IS HEREBY GIVEN that the
Board of Directors of the Trust will

recommend to Shareholders at the forthcaming Annual Meeting the payment of
a dividend of DI-35,000.00 per Ordinary

share payable Aoril 2nd; 1979, for the

year ending December 31st, 1978. This

is the exturnient of DI.4.50 per par
ticipation corallegue (and 1977 DII.4.25

per certificate).

By Order of the Board.

Sy Order of the Board.

HOLLANDSE KOOPMANSBANK N.V

AMERICAN EXPRESS COMPANY The undersigned abnounced that as from March, 14, 1979, at Ras-Associate N.Y. Spultvast 172. Associate N.Y. Spultvast 172. Associate N.Y. Spultvast 172. Amsterdam, dividend cousen No. 3 of the CDR's American Express Company, each representing 5 shares, will be payable with DRas.40 set (alv. per record-date 1.5.79; gross 9 40 per share) after desection of 15°, USA 13x 50.30 per proceedings of the Netherlands will be add after deduction of an additional 15°, USA 23x 7° 30.50 per Netherlands will be add after deduction of an additional 15°, USA 23x 7° 30.50 per Defa.0.50 with DFs.2.30 set.

AMSTERDAM DEPOSITARY Armsterdam. 22nd February, 1979.

MURATA MARIUFALIUKING COMPANY LTD. (CDR3) (CDRs)
The undersigned abnounces that the Semi-annual Report ended Sentember 20, 1978, of Murata Manufacturing Company Ltd. will be available in Luxembourg at:
Lixembourg at:
Luxembourg Lizempours and Enterprise State Lizempours and Lizempo

DIAMOND CAPITAL LTD.
Registered office: 80. Broad Street.
Monavia (Libera).
The annual meeting of shareholders of Diamond Capital Ltd. will be held at the Registered office on Thursday. 5th April. 1979. at 11 a.m., with the following Assentia:

ing: embinated of the paltice types and tyle termine of observious:

Immension with the held a special meeting of threholders will be held a special meeting with the following agenda:

— amendment to the first paragraph of Article D 1. of the "Articles of Incorporation" to double the authorized capital. This caregraph will be modified as follows:

"D.1. The aggregate number of shares of stock that the Corporation is authorised to issue it forty Thousand (40,000) bears shares of Class a with a par value of One Thousand Dollars (31,000) per share with Eighty Thousand (80,000) registered chares of Class 8 without par value."

— insertion of a new paragraph between the second and third paragraph of Article D.1. of the "Articles of incorporation" which will coad as follows:

"Authority is expressly vected in

follows:
"Authority is expressly vested in the Board of directors to issue shares of Class & in one or more transfers, at conditions that the Board will fix."

Board will fix.

A shareholder entitled to attend and cote at the meetings may appoint a proxy to attend and vote instead of him.

Noiders of "A" shares to bearer who delire to attend or rote at the meetings shall deposit their certificates for shares with appropriate instructions, not later with appropriate instructions, not later than 20th March, 1979, with Banque Bruxelles Lambert, Bruxelles Lambert, Bruxelles Lambert, Bruxelles Lambert, Laxembourg,

THE COLNE VALLEY WATER COMPANY NOTICE IS NERBBY GIVEN that the One Hundred and Fifty-learth Ordinary General Meeting of the Stockholzers of the Company will be held at the Principal Office of the Company, Slackwell Mouse, Alderham Road, Watterd, on Thursday, 22nd March, 1979 at 12.30 pm for the following ourposes:

llowing ourposes.

To resilve and adopt the reagn of the Directors and the Statement of Accounts too the year easies 3:st December, 1879.

To confirm and occlare dividends To re-elect Lard Desmand Chichester a director of the Company
To authorise the directors to As the

5. To transact the ordinary business of the Company. Dated this 28th day of February, 1979 By Order of the Board. W. A. COSGROVE, Secretary Blackwell House. Altenham Road. Wattord. Hertfordshire WDZ Z£Y.

RESIDENTIAL PROPERTY

FOR SALE Caribbean island. Freehold beliching sittle of 1 acre. Prime position. Price 54.006. Write Son T.5028. Financial Times. 10. Cannon Street, ECAP 48Y.
2-BED/ROOMED FLAT, MIDDILE WEST SMD. Pull service flat lac. maid. Lexurously iurnished with 3 years rendealite leave. Rent £30 per work. £15.000 for legie. Rent £30 per work. £15.000 for legie. Rent £30 per work. £15.000 for legie. Numer and strings. 980 0372.
18-LE OF MAN (Ramsev). Sic Bat. 2 beds. benggioliner, sen mil. bethroom. Facing south sen view. 125-year lesse. £19.000 Carage regoldable if required. Write 800 1527. Financial Times. 10. Cannon Street. ECAP 48Y.

RARE CLASSIC STAMPS INVESTMENT SERVICE

It is possible with our expert guidance to keep ahead of the current inflation rate and to enjoy a healthy capital appreciation combined







with the fascination of an absorbing and stimulating hobby. The early classic issues

of Great Britain are in world-wide demand, this situation being reflected in the staggering price increases which have occurred in the past ten years.

A selection of ten mini Victorian, Edward VII and George V stamps having been catalogued at £500 in 1969 are now valued in the 1979 catalogue at no less than £16,000!

Fall details of our Philatelie Investment Portfolio Service seat on application to

L & A Philatelics Ltd

2. The White House, Beacon Rd., Crowborough, E. Sussey Telephone: Crowborough (08926) 2158, 2159, Telev: 95449

SEMINARS

Objectives:

Participants:

European Institute of Business Administration Fontainebleau, France

Management and Business Opportunities in Japan

A five-day seminar to develop: understanding of the Japanese socia-economic environment and business behaviour; -skills in communicating and negotiating with

Japanese: -abilitles to identify ways of entering the Japanese market:
-effectiveness in managing in Japan and/or in dealing with Japanese.

—Managers who are doing, or are considering

doing, business in Japan.

—Executives who are responsible for inter--Managers who realise they might learn from Japanese economic, manageral and social

experiences. European and Japanese professors, ecusultants. Faculty: senior executives. April 23rd to 27th, 1979. Dates: INSEAD, Fontainebleau, France. Place:

language: English.
For further information about this and other INSEAD Euro-Asia activities, please contact: Professor Henri-Claude de Bettignies

Director, Euro-Asia Centre INSEAD 77305 Fontainebleau Cedex, France Telephone: (1) 422 48 27. Tele Telex: 690389F

RESIDENTIAL PROPERTY

Californian Orchards

Californian Orchards, U.S.82.4 million freehold, approximately 670 acres; 1.7-mile frontage on State's largest river. In excess of 40,000 prone trees on 410 acres; some walnuts. All on California best soil. 50% now in production with annual increases to full production by 1984 and gross income U.S.\$300,000. Equipment included and present management will carry on if desired. U.S. owner in London on February 28th, Please call 01-623 9758, Mr. Turney, for appointment or information.

KATHINI GRAHAM LIMITED

J8 Montpelier Mews, London SW7. 584-3285. We have a large selection of high quality furnished properties to

let on short/long term basis. mackerby St., W8 Exceptional ponthorse maisonette with 4 bed . 3 recept, buchen and 2 barn Available end March long let £300 p w plus maid Ovington Sq., SW3
Attractive flat in smell block overlooking Square, gardens. Two bad.,
d. racep, kitchen, beth, sop w.c.
Available now long let. £160 p.w
Incl. c.h., c.h.w.

Well decorated flat in good block. Two bed., recep., kitchen, bath., sep. w.c. Available now long let. £200 p.w.

Bradbourne St., SW6 Excellent family house on two floor-with 4 bed., 2 roccp, finchen 2 bath., sep with Garden Available new 1-4 years, £180 p.w.

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CLOSE TO GREAT MISSENDEN, AYLESBURY 9 MILES Easy acress M40 and M1

A FINE COUNTRY HOUSE IN MAGNIFICENT AND PRIVATE GROUNDS OF 2% ACRES WITH OUTSTANDING SOUTHERLY VIEWS
Suitable for institutional-type purprises or conversion to form one of two events for the form of the form of

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PREMISES - MAJORCA Near Palma Apartments with own polis, garden, bearn available on 3, 6, 11 months of longer leases. Furnished, equipped and serviced. Used by other Uk and multimetional companies. Reints from £150 p.m. Sleep up to 5 people. Information and braching Maliorca Holiday Rantais Lid 150 Southampton Rose

50 Southampton Row London WC1B SAP

Tel: 01-340 8402

12 LINDFIELD GARDENS HAMPSTEAD NW3 Freehold-0.39 of an acre At a density of 140 to the acre would allow 49 habitable rooms. There are 8 flats consisting of 20 habitable rooms which have been said. Offers invited WHITMILL PRESCOTT 36 Elder St. London E1 Tol: 247 7356

GUERNSEY PROPERTIES Improve your quality of his — live in Guernsey! No strife. Stable Government, Low Jacos. For the full selection of properties from ESO,000, plus free "Settling in Guernsey" book explaining all the facts, contact:

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LOVELL & RASTINGE LOVELL & PARTNERS. 'Est. 1875) St. Poter Port - Tel: 0481 23636

RUTLAND GATE KNIGHTSBRIDGE SW1 Freehold-Offers Invited

POSED ADDITION OF A RENT
Suitable for conversion into
7 large flat
WHITMILL PRESCOTY 36 Elder St., Landon Et Tel: 247 7358

SARDINIA BEAUTIFUL MODERN HOUSE for sale in COSTA PARADISO

OSTA PARADISO
DEVELOPMENT

on tor of 5,000 sq.m. commanding
mannificent views of north-woot
coast and effording complete privacy
and tranquility. Four double bedfrooms, 2 betracons, sitting-toung,
kitchen, paintry and storeroom coasprising 186 s.g.m. plus additional
terraces oscositing 400 sq. electricity, telephone and drinking water
lyad on to home. Isla on to house For further particulars and photo-craphs, apply Box T 5024, Financial Times 10. Cannon Street, EC4P 4SY

RUTLAND GATE KNIGHTSBRIDGE SW1 Freehold Vacant Possession Bedrooms, 2 Bathrooms, 2 Recen-Dens, including large sun four 2 pales, roof garden, garane WHITMILL PRESCOTT 36 Elder St., London E) Tel 247 7356

PHILBEACH GARDEN SWS Overlooking Gardens Offers Invited Planning permission has ben pranted for 9 two-room, K and B 2 three-room, K and B, and 1 bed-streer, K and B WHITMILL PRESCOTT

36 Elder St., London E) Tel: 247 7356 MAYFAIR HOUSE. I bedrooms 3 bath rooms, part ancillary since use, superbeastions 12-year lase 1390 p.s. Price Class.and view 80. 7.5025 Financial Times, 10. Camma Sirrer, ELAP ABY

Street, ELAP ABY

U.S. NAVAL OFFICER of him fed means
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CNTRAL LONDON LUXURY FLATS, 93
0377-4424, Ideally Suiced for commandco-collists, and services, collists.

Companies and Markets

Financial Times weutresses -

Early Dow fall of 9.2 on inflation worries

PREMIUM \$2.60 to £1—911% (921%) Effective \$2.0225 481% (491%) RISING WORLD oil prices and speculation that U.S. interest rates are headed higher drove stock prices on Wall Street broadly lower in active early dealings.

The Dow Jones Industrial Average sustained a fall of 9.18

losses outnumbered rises by (1.35m). more than a five-to-one ratio. Syntex, among the Amex Turnover expanded sharply to volume leaders, eased ! to \$14. 21.29m shares from Monday's The Government is seeking more more than a five-to-one ratio. 1 pm figure of 14.70m. Heavily-traded Polaroid retreated 2½ to \$39%, while Boelng lost \$2 to \$63%. Avon Products \$1 to \$45% and General Motors \$1 to \$55%.

Motors 1; to \$533. National Medical Enterprises slipped 1; to \$19½. The company could give no reason for the

Du Pont surrendered \$2 to \$130. Steels and Oils generally lost after active trading.

NEW YORK

Abbott Labs ... 3054
AM International 1654
Adobe Oil & Gas. 2054
Aetna Life & Ca. 4114
Airproducts... 2533
Alcan Aluminium Aica... 5214
Allea Ludium 554

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Amer. Dist. Tel. 241s
Amer. Elect. Pow 213s
Amer. HomeProd
Amer. HomeProd
Amer. Medical. 27
Amer. Motors. 57s
Amer. Nat. Res. 37
Amer. Standard 429s
Amer. Tel. & Tel. 611s
Amer. Standard 501s
Amer. 161s

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Bangor Punta. . . Bank America. . .

Bect'n Dick'nson' 5239 Sell & Howell..... 1512 Bendix 38

B. Pet A Drit R. 191, 1912 Brockway Glass 1714 1712

Columbia Gas... Columbia Pict. Com.insCo.of Am

Monday's buoyancy on Resorts Indied at 1.395.2 at mid-day, helped along international being granted a by advancing Real Estate issues, permanent licence to operate its casino in Atlantic City, New Jersey, were mainly narrowly nixed at mid-session yesterday. Golds shed 4.0 more to 1.588.9. On the American SE, Resorts Metals and Minerals declined 2.1 International "A" reacted 14 to 1.268.8. Utilities 0.67 to \$46! following the previous day's 202.71 and Banks 0.42 to 311.93. advance of 4:.

information on Syntex's acqui-

Polycrome, a take-over candidate, were unchanged at \$23; after jumping \$10 on Monday.

Canada

Corning Glass 533; CPC Int reations 50 kg Crane Natl 2913 Crocker 267; Crown Zellerb h. 535; Cummins Engine 5414 Curtiss Wright ... 1463

 Dana
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 Dart Industries
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F.M.C. 25%
Ford Motor 40%
Foremost Mck. 184
Foxboro 50%
Franklin Mint. 74
Freepost Minera 371
Fruehauf 271
Fuqua Inda 94

181: 163: 271: 261: 251: 145: 23: 145: 34: 127: 401: 265:

Overseas Ship.
Owens Corning.
Owens Illinois.
Paorite Gas.
Pacific Lighting.
Pan Am World Air
Parker Hannin.
Penney J. G.
Penney J. G.
Pennwalt
Pennaul.
Penney J. G.
Peoples Drug.
Peoples Gas.
Peoples Gas.

stock's decline. Stock prices on Canadian IBM receded 34 to \$3014 and markets presented a mixed Stock prices on Canadian trade. appearance at noon yesterday The Toronto Composite Index.

Casino Gambling shares, after however, was 1.6 firmer at

The Real Estate index jumped Bally Manufacturing and over 61 points more as Trizee Caesars World also hope to rose 1 to C\$21! Olympia and open casinos in New Jersey's York is seeking control of an open casinos in New Jersey's York is seeking control of an southern resort city later this for this edition.

To \$11.94 at 1 pm, while the NYSE All Common Index declined 62 cents to \$54.16 and losses outnumbered rises by

Selkirk "A" picked up ! to C\$17; on a dividend increase.

Among Oils, Dome Petroleum moved ahead 24 to CS1121. Bow Valley 4 to CS243 and Texaco Canada 3 to CS515.

Tokvo

Johns Manville.

With export-orientated issues leading the way, stock prices mainly retreated in another thin

The Nikkei-Dow Jones Average declined 23.83 to 6.065.29 and the Tokyo SE index 1.03 to 449.54 Volume 200m shares (180m).

Southern Co...... 155; Southern Nat Res 5478 Southern Pacific 2758 Southern Railwy 48:

Tri-Continental... 171a
Triton Oil & Gas... 441a
TRW ... 351a
20th CenturyFox 351a
UARCO... 511c
UGI... 181a
UNC Resources 204a
Unilever NV... 611a
Unilever NV... 611a
Union Carbide... 361a
Union Oil Calif... 601a
Union Pacific... 561a
Union Pacific... 561a
Union Pacific... 561a
Union Pacific... 561a

Press reports that Toshikazu Hashimoto. councillor at the Ministry of International Trade and industry, said that he has found a growing move in the U.S. Congress to impose surcharges on imports from Japan and other countries whose trade

There was a good turnover in the Options market, where prices rose slightly, while french stocks also closed firmer.

Domestic Bonds held fairly

shares down over a broad front. Sony fell Y30 to Y1.650, TDK Electronics Y40 to Y1,790. Fig. Electronics Y40 to Y1,790. Pioneer Electronics Y120 to Y2,180. Olympus Y9 to Y726. Ricoh Y4 to Y563, Nissan Motors Y8 to Y688 and Toyota Motor Y5 to Y680.

Steels, Non-ferrous Metals. Oils, Communications and many other shares drifted easier in the absence of fresh market factors, but Chemicals and some speculatives hardened.

Germany

Stocks improved afresh, although trading remained quiet, with Bourses in some parts of Germany closing early for the Shrove Tuesday holiday.

Among Engineerings, Linde moved ahead DM 4.50. Degussa DM 7.50 and KHD DM 2.80. Volkswagen gained DM 1.50 in Motors, Thyssen DM 1.90 in

Woolworth 19:2 / 19:5 Wyly ... 413 / 434 Xerox 56:2 5645 Zapata 13:0 13:4 Zenith Radio 14 13:4 U.S. Treas 42:80 19512 19513 USTreas 42:75:85 178:3 -78:3 U.S. 90-day bills 9.422 9.415

Sceptre Res'urce Seagram Shell Canaga Sherritt G. Mines

CANADA

Steels and Siemens DM 1.30 in

balance with the U.S. is in steady, although gains of up to surplus brought export-related 15 pfennics and losses of up to Electricals. Vehicle and Camera 35 pfennics were recorded in isolated instances. The Regulating Authorities sold DM 18.7m nominal of paper after seiling DM 29.6m the previous day. Mark Foreign Loans were

Paris

available due to a two-day pay strike by Paris Bourse employees, which began at mid-day yester-

A special procedure used by stockbrokers to provide forward market share quotes during previous strikes has not been initiated, Bourse sources stated.

Mining leaders generally declined despite gains for most metals on the London Metals Exchange on Monday. MIM receded initiated, Bourse sources stated.

Hong Kong

Fuelled by local speculative buying ahead of today's Budget, the market gained further ground yesterday in light trading. Iffting the Hang Seng index 7.76 more to 518.93

Hong Kong Bank added 20 cents at HKS18.30, with the market experting the announce-

market expecting the announce-ment of good final results later in the day.

Hongkong Land, HK\$7.60, and

Hong Kong Wharf, HKS29.50, improved 10 cents apiece, while Sun Hung Kai Securities, benefit-ing from increased final dividend and net profits, put on 4 cents more to HK\$1.94.

Chenng Kong advanced 45 Shares remained in cents to HK\$9.70 and Sun Hung in quiet conditions.

Kal Properties 29 cents to Royal Dutch harde HKS7.90, but Swire Properties receded 5 cents to HKS2.85. Hutchison Whampon gained 10

Johannesburg

cents to HK\$4.15

Gold shares were mostly lower, reflecting the trend in the

Electricals. Deutsche Bank ever, advanced 20 cents to added DM 1.50.

There was a good turnover in the Options market, where changed, while Platinums were changed, while Platinums were changed. easier, although Implats gained 10 cents to R4.55. Collieries were firmer, but Industrials showed an easier inclination in a thin

Australia ·

An easier tendency prevailed yesterday in generally quiet trad-ing marked by a continued absence of Overseas buyers.

Official share prices were not firm and active, Thiese featuring with an advance of 11 cents to AS2.60 in response to an 18.8 per cent rise in interim profits. Howard Smith, AS4.45, and Utah, A\$4.30, gained 5 cents apiece.

> 6 cents to A\$3.20, CRA 5 cents to AS3.60 and Bougainville Copper 4 cents to AS1.95.

On the Industrial boards, BHP reacted 10 cents to AS10.45 and CSR retreated 7 cents more to

Among easier Banks. BNS Wales shed 5 cents to A\$3.45 and CBA 4 cents to A\$2.61, but Properties hardened in places. Hooker gained 1 cent to \$9 cents following better-than-expected interim results. Stocks and Hold-Lend Lease 4 cents at A\$2.82.

Amsterdam

NOTES: Oversees arices shown below exclude S premium. Belgian dividends are after withholding tex.

• DM 50 denom, unless otherwise stated, yields based on net dividends based on net dividends based on net dividends based on state of the property of the

TOKYO S

Indices

NEW YORK - DOW JOKES

					· .		197	8-79	Sinesc	Deliver Se
	Feb 26	Feb.	Fe3.		Feb. 20	16	High	Low	High	
							*** **		* 1417 ***	
• industr'is							907.74	4.0	105170	
H'me B nds	84.52	84,30	84,51	\$4,23	33,04	62° 19	90,88	. 84.03 . 17: { 17:		. 1
Transport.	210,55	211.15	211,32	210,50	215_19	271.77	281.49	125,31	773.24 27 . 3.	F,74
Utilities	105.45	104.16	104,43	104,53	184,57	104,56	110. 58	37.11	165.32 (30.4)(c)	- 1 60 4
Trading vol 18'000	22,620	22,540	26,290	26,140	21,350	21,118		٠.		. / .
		<u>.</u>								•

• Day's high 826	.46 low 816	1,35				
		Feb. 23	Feb. 16	Fob. 9	Aest 520 isb	
ind, div. yea	id :	5,95	5,91	5.95	6,14	
STANDARD AND	POORS					

High Low High Low Indust's ... 108.87 108.96 109.64 119.51 110.96 210.00 118.71 95.87 134.84 8.55 (12.9 G). (11.13.65 1.5.1) (12.9 G). (11.13.65 1.5.1) (12.9 G). (11.13.65 1.5.1) (12.9 G). (12.9 G). (12.9 G). (12.9 G). (12.9 G). (12.9 G).

	FOD. 21	140' 14	F90, '	JOHN BER TABLES			
ind. div. yield %	5.07	5,07	5.16	5,47			
ind. P.E Ratio	9,01	e,98	8,80	8,45			
Long Gov. Bond Yield	9,01	8,95	8.98	8,27			
N.Y.S.E. ALL COMMON			Rises and Falls Feb. 25 Feb. 25 Feb				
	1978-79	- : -					

Fob. Feb. Feb. Feb. High Low 54,7854,8855,2055,58 60,38 48.37

MONTREAL	Feb. ,	Feb.	Feb.	Feb.	1976 Kish	B 79 Low
industrial Combined	285.48	255.20 257.78	238_56 258_14	238,45 238,59	256,45 .21 2 79c 259,59 -11 2 7ec	162,90 (kgz 178,62 (kgz
TORONTO Composite	1525.6	1397,8	1895.7	1899.1	1599, 1 - 21 2.77-	1.46, 2,486
JOHANNESBURG Gold	255,2	286.E	256,5 305,2	264,2 508.1	250,7 (7,2;7): 509.0 (140);144	SEE O Albert.

Combined	250,00 257.78 258.14 258.09	259,59 (J. 2 into 170,52 pkg)
TORONTO Composite	1585.6 1597,8 1896.7 1699.1	1599,1 -21 2.77 \$48,2 -36,1
JOHANNESBURG Gold Industrial	255,2 286,6 256,5 264,7 \$87,6 807,7 305,2 508,1	250_7 /7.2.79 188_0 elekt. 509_0 1462 194_0 184_0 elekt
	Dina Dad	beb fre ffig & fu-

Shares remained in casier vein

Royal Dutch hardened a shade | Australia 1 371.01 363.05 233.46 41.16 Belgium (), 1986; 1...43 1885; against the trend in Dutch Internationals. Akzo, however, lost F1 0.30 to F1 31.30 ahead of announcing a profit for last year France off pur 71.3

after a large 1977 loss. Elsewhere. Elsevier receded Fl 2.80 and Pakhoed Fl 1.80. State Loans turned firmer after the recent declining trend.

Germany(11) (1) (1) (286.5 (284.6 (14.16) (17.24 (14.16) (17.24 (14.16) (17.24 (14.16) Japan 161 443,54 441.57 62.58 Japan in 443.3 443.7 6297 5436 Singapore 3 32.33 36.34 443.3 25.3 14 443.3 25.3 15 443.5 25.3 16 47 671 Indices and base dates (at base values 100 accept NYSE All Commons—500 and Turonto 330—1,000; the last named based on 1975, if Excluding bonds, \$400 industrials, \$400 indust

AUSTRALIA

	27	s ping	: Higg.	fa.u
Spain a	35.24	Eş.	14.2.6	23.
Sweden 🖂	. 5724 5	35.68	tic.co.	920.0
Switzerld."	312.8	حىنلة	373. 116:31	201
Dec. 1963. 1970 - 1971 1980 - 1981 2012/77. e 1981 - 1981 2012/77. e 1981 - 1981 2012/77. e	Hang Comment No. Si Stock ho	Seng custe 4/1 losed. strs (no	Beok 31 J <i>istiana</i> 168. b 4 Mad Jestrial 1	197 Strai
MONDAY	S ACT	TVE S	TOCK	
	: [Stocks reded	Clos m	da.

STOCKHOLM

GERMANY + Price + or Div. Yld.

RoyalDutchFi20 129.1 + 0.2 58.78 8.5
Slavenburg 248 20 8.1
Tokyo Pac Hidss 127 50.59 6.9
Viking Rea 44.7 + 0.2 50.20 1.1
Volker Stevin 94 10 5.9
West, Utr. Hypok 425 35 38.8

COPENHAGEN +

Angelsbarken
Danske Bank ...
East Asiabe CoFinansbanken...
Bryggerier
For Papir
Hendelsbank
G Nthn H (Kr90)
Nord Kahel

	*VIRONABOIL				, 21.4444			•	
	AMSTERDAM		•		Feb. 27	Price Frs.			Yid
1	ANGIERDAN					9 3 70	-10		
1	l	Price + ar	Div	YId	Arbed	24210	~10	116	~
	Feb. 27	Fis. —		·ío.	C.B.R. Cement.	2.380 1 104 ·	_4	100	
.					Cockerill	510	_2		
	Aheld (FL20 L	1192	3:2	4.7	EBES	2.480	- 15		
i	Akzo .FL20	31.3 -0.5	_	· —	Electrobeli	6.870	- 40		. 6.
i	Alg m Bk (Fi 100)	352	A234	6.7	Fabrique Nat	5.500	-10	100	1 6.
1	AMEY (F), 10:	90.1 — 1.2			i G.S. Inno Bm	2.570	-30	150	1 61
1	Amrob'k F1.20.	75.8 - 0.5			Gevaert	1.372		85	6.3
	Bijenkorf	88.2 0.8			GBL (Brux L)	1,800	~30	, 90	5.6
i	BokaWatmiFl2	121.7-1.8			Hoboken	3,120	+ 50	170	! 5.3
	Buhrm' Tetter .	73.7 -0.4		7.0	Intercom,	1.900	40	142	17.
	Elsevier (F120)	272.5 2.8			Kredietbank,	7.240	·	290	: 4.3
	Ennia N.V. B'rer	187.8 -0.5			La Royale Beige				
i	EurComTst/F110				Pan Holdings 1				
İ	Gistal Br cad FI		20	5.6	Petrofina	3,860	30	180	4.
	Heineken (F125)	90 —I	14	4.0	Soc Gen Benque	3,500	20	220	6.
	Hoog'ns (Fl.20)	31.9 -0.1	-	_	. Soc. Gen. Beige :	2,150		140	6.
	HuntarD.:F1-100	22.03 +0.3	1.2	5.5	Sofina	3,580	-15	216 .	6.7
	K.L.M. (FT.100	104.7-0.5	. 35	2.8	Solvay	2,605	—30	A2.10	8.1
	int. Mulleri Fl. 20	44.8 0.2	. 13	8.4	Traction Elect	2,940	+40	170	5.1
	Nat-Ned InsF110	108.6 -0.3	- 55	4.4	UCB	1,596	-4. +6		: -
ı	NedCt dBkF1.20 NedMidBkrF1.70	206	, 51	7.3	Un Min. :1/10/	762	+6_	50	6.2
1	Oce FL20	172 -1	20 ·	4.9	Viello M'ntagne	1,000	+30	_	
ı						-		•	
ŀ	OGEM (FI, 10	38.6							
ı	Van Ommeren Pakhoed (FL20)	100.5 - 1.5	-	-	SWITZERLANI	9 4			
ŀ	Philips FL 10	47 -1.8	17	70		n	: •	-i	·
ı	RinSchVer Fi 100	38 B _0 3	•••	1-6	Fat 07	PROB	; -}- or	· DIV.	मृत
ı	Robeco (Fl.50)	164 -0.7	25.4	78	Feb. 27	CIR		_ 2	د تح
Ш	Rolingo FL50	126							_
П	Rorento (Fl.50)	122.2 -0.1			Aluminium	1.3R0	15	. 8	9 0
П	RoyalDutchFi20	129.1 +0.2				1 800	- 15	. 10	9.5
П	Slavenburg	248			ClbaGeigyFr100	1 940	-15	22	1.6
П	Tolore See Uldes	270 /		2.5	Paramethal 1100			- 25	

:	SWITZERLAN	D e			
:	Feb. 27	Frs.	∵+or	Div.	۲ıd
i	Aluminium	1,380 1,800	15 15	: 10 '	2.
	Do. Part Gert	975 682	6 7	22 22 22	2.
		700	-5 -30 -1.500	10	3.6
	Do. 'Small'	7.650 4.225	-100 -25		1.
;	Nostle (Fr. 100) Do. Reg. Cerilkon B F250	3,500 2,380	30 10 5	#86,5	3.4
:	PirelliSiPIF100:. Sandoz (F.250:. Do. Part Certs	288 4,040 520	-2 -85 -1	15 26 26	5,5 1.6 2.5
	Schind'rCtF100 Sulzer ChF.100: Swissair ·F.850: Sw.Bk.Cp:F100:	330 336 821	-4 -4	13 14 10	4.1
•	Sw.Bk.Cp/F100/	. 402 8 305	-1	10	3.,

		MILAN
	ĺ	
1	i	Feb. 27
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7,6	MILAN				
3.2 6.9		Price	+or	Div.	Yk
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	Bastogi,	564	-11		
	Pat	2,790	,-20	150	5.
	Do. Prv	.2,228	10	150	5.
रुख	Italcomenti.	97 DQ	4.0 L 1 000	EOD	0
e .	Italsider	450	_1G		-
	Mediobanco	. 33.000	+400		
2.9	Montedison	. 194	2	_	
3.4	Olivetti Priv	1.184	+4	·	-
8,6	Pirelli & Co.	. 1,898	-32	. 13D	
4.0	Pirelli Spa	AGL	- 11	_ BO	₩.

Aust 5 Feb. 27 Kronof Kr.

AGAAB Kr. 401, 185 8 6 4.5
Alfa Lavelikr, 50 135 1 6 4.5
ASEAWR, 50 74.8 5 7.0
AttesCo'co Kr25 106 4 7.0
Bellevad Kr35 106 4 7.0
Bellevad Kr35 106 5 7.0
Bellevad Kr35 106 5 7.0
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Bellevad Kr35 1 9.0 ACMIL:25 cents. Aust Foundation lav. Aust. Foundation law.
Aust. Oil & Gas
Bamboo Greek Gold...
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Boral...
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Broken Hill Proprietary...
BH South

+0.6] -0.64 +0.61 -0.66 -0.61 +8.81

-0.02

	West Driefontein	146.0r
•	Western Holdings	142 O
-	Western Deep	16.50
v. Yld.		
- 5	' :NDUSTRI	ALS
13.06	, AEC	4.2
76 6.8	Anglo-Amer. Industrial	13.00
T 44	CNA Investments	5.43
5 4.4 25 5.8	CNA Investments	. Z.0:
20 3.6	Curric rinance	0,93
5 2.5 5 5.8	De Beers Industrial	: 175.00
s : 0.0	Edgara Consd. Inv.	13.60
5 8.5	Edgars Stores	144.50
4.5	EverReady SA	12.80
5 8.5	Cod Markabalana.a.a.	2.10
7.2 2.8 5 1.6 9.0	Greatermans Stores	3.70
2.8	Hujetts	2.50
5 1.6	LTA	2.43
9.0	McCorthy Rodway	
~¹ 1	NedBank	3 10
76 6 6	NedBank	7.90
1 10.2	UN DEADES	5.00
4.2	LIGHTED (ATTRIBLE)	
	Pretoria Cemont	4.30
7:9.9		1.60
i :	9and Mines Proportion	2,55
7.5	Rembrandt Group	3.90
8 2.3	Rerco	0.37
5 2.5	Scor Holdings	1 55
3 D.J.	CAPDI	2.85

Financial Rand U.S.S 0.681

0.05 +0.05

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	imetal	57.8 5.7: 9.9	Protez Holdings 1.60x	ıd -
' !	Jacques Borel			٠.
1	Lafarge			_
1	L'Orcal,	688 15,98 2.3		
' !	E Of Continuents	AAA 40'90 5'9	Scor Haldines 155	
4	realsure	1.622 —17 34.75 2.5	Scor Holdings 1 55	
	Maisons Pheonx	525 +4 39.3 7.6	SAPPI 2.85	
i	Michelin "B" 1		C. G. Smith Stigar . 5.95	-2
4	Moothennessey	485 -9 12 25	54 Riewerins 1,37	-
1	Moulinex	128 -0.6 5 2.3	Tinet Opts and N. Mig. 11.50	_
	Peribas	210 +2 10,18 4,8		
7	Pachiney	72.1 +0.1 7.5 10.4	Financial Rand U.S.S	0.69
1	Pernod Rigard			
ż	PaugootCitroen	220 7 . 1 7 17 18 4 6	(Discount of 41.9%	
•	Landonicitiosii	370.1 + 1.1 17.25. 4.7	(=====================================	••
- 1	Poclain	103.0 +4.5	į	
:	RadioTchnique	404.5 -4.5 27 6.8	i	
i	Redoute			
i	Rhone Poulenc.:	102 -2 9 8.9	SPAIN *	
	St. Gobain	138 +1.5 14.66 10.4	3	
:	Skis Rossianol "	1.800 +1 89 2.1	I DOLUBLY TO THE CHIEF	
1	Suez	57D 7 2 05 2.4	Asland 130	+ 3
•	Telemone	272 -1.5 25.3 9.4	Banco Bilbao 276	- t
	i elettiecaulidae	. 140 +11 . 52'Pl 9'P	Banco Central 295	- 3
١	i nomzougrangt.	740 +11 25.5 3.6 212 -0.1 15.15 7.1	Banco Exterior 250	+ 4
7	Usinor	11.95 ÷ 0.75.		T .
		•	B. Granada (1,000) 134	- 2
			Sanco Hispano . 240	
,			Sep. 1. Cat. (1,003) 168	_
i	BRAZIL		Sco. t. Meditetrango 183	
	DRAZIL		Banco Madrid 270	
į	·	Price + or Gruz Yid.	B. Suntander (250) 306	_
.	Feb. 23	THE TOTULE TIE.	Bco. Umuico (1.000) 254	
1	_ Fee. 29	Gruz - Div. X	Banco Virtaya 230	
	Accelle	0.00		· _
	Vocalce interior	0.89 -0.040.12 15.46	Bankunion 144	
í	pancodo Brazil.	1.47 -0.020.188.16	Bankunien 144 Dragados 183	1
1	Banco Itau PN	1.35 0,37 27.40		т.
1	Beigo Mi'eira OP	1.000.088.00	Esponola Zinc 96	
ı	Lojas Amer O.P.	2.00 -0.010.2010.0	Feesa (1,000)	7.
1	Petrobras PP	1.69		+ 2

ABN	F.350!	7	4.50	-	_	. •	·	F.352
ABN	F,560	3	2,30		_			,,
AKZ	F.25	2	6.20	1	7,50			F.31.20
AKZ	F,50	109	. 2	36	á		-	
AKZ	F.32,50	186	. 1	87	1.90	11	3.10	
AKZ	F.35	54	0.50	31	1	10	2	-
ARB	F.70:	10	6.50					F.75,80
IBM	5300	_				1	30	\$303,
IBM	>320	8	5					,,
KLM	F.100	8	7,50	6	11	22	14	F.105.50
KLM	F.110	2	2.80	17	5.80	. 2	8	
KLM	F.120	57	0,70	12	3.10		-	
PHI	F.22,50	12	1.40		_			F.23.20
PHI	F.25	10	0.50	142	0.90	53	1,40	. " .
PHI	F. 27.50	-5	0.10	20	0.40			. "
PRD	÷45	1	15:	_				\$40
PRD	×50°	3	i Lje	-				
RD	F.120	21	9.90	_	_			F.129.50
RD	F. 185	25	5.30	4	5,80			
RD	F.150	12	2.80	17	3.80			
75	F 13E-			žó.	1.50		2 20	: "

	EUROF		orli		ily		ct.	-
	Sories	Vol.	Last	Vol.	Last	Voi.		Stock
BN	F.350	7	4.50					F.352
LΒN	F.56Q	3	2.30		=			!*
ΚZ	F.25	2	6.20	_1	7.50			F.31.20
ΚZ	F.50	109	. 2	36			3.10	**
ΚZ	F.32.50	186		87	1.90	11	3.10	-
ĶΖ	F.35	54	0.50 6.50	51	1	10		F.75.80
RB	F.70:	10	Ģ.3U				30	5.73,00 5303,
3M	*300	_					. 30	2909
SM	>320	8 7	5			- 00	14	F,105.50
LM	F.100		7.50 2.80	. 6 17	11 5.80	. 22	8	1,103,50
LM	F.110	.2			3.10	. 2	•	. **
.M	F.120	57	0,70	12	5.10		_	•
HI	F_22.50	12	1.40		_		٠ -	F.23.20
н	F.25	1Ď	0.50	142	0.90	53	1,40	
HÏ	F. 27.50	5	0.10	20	0.40			
RD	>45	1	15:	_				\$40 .
RD	×50°	3	lj.	-				
D	F.120	~ 1	9,90	_		-		F,129.50
Ō	F.185	25	5.30	4	5.80			
D	F.150	12	2.80	17	3,80	·		**
D	F,135	62	1	50	1,50	. 2	2.30	
Ď	F,140	95	. 0,50	20	, 0.90	·	-	,,
NI	F.130	š	0.50	17	1,40			F.123.80
RX	560.	1	. 1	-		. – .	: -	,5551;
		M	ay	Aug	gust		Nov.	
A	. 570	25	33,	_	٠.,	·	-	'# 6 5
Ã	820	-5	1					

DUAL FEIA	AUGUSTA
A.B.X. Bank 1349	Hill Samuel\$1319
Allied Irish Banks Ltd. 1319	C. Hoare & Co +1910
Amro Bank 1315	Julian S. Hodge 1414
. American Express Bk. 1310	Honokona & Chanabai 1916
A P Bank Ltd 1310	i Industrial Rk of Sent 1916
lienry Anshacher 1319	Keyser Ullmann 1310
Associates Cap. Corp 14 %	Knowsley & Co. Ltd 1434
Banco de Bilbao 134 %	Lloyds Bank 13/9
Bank of Credit & Cree. 1314	Lordon Mercantile 13:4
Bank of Cyprus 1315	Edward Manson & Co. 1419
Bank of N.S.W 131%	i Midland Bank 1916
Banque Belge Ltd 14 %	
Banque du Rhone et de	🐧 🗷 Samuel Montagu 1339
la Tamise S.A 14 %	■ Morgan Grenfell 134%
Barclays Bank 1314	National Westminster 1310
Bremar Holdings Ltd. 1419	National Westminster 1319 Norwich General Trust 1319
Brit. Bank of Mid. East 1319	P. S. Reison & Co 1319
	D
Brown Shipley 131%	7
Canada Perm't Trust 131%	
Cayzer Ltd 14 0	T C ~ 1 100
Cedar Holdings 131 %	
Charterhouse Japhet 131%	
Caoularions 1314	
C. E. Coates 1319	🗷 Standard Chartered 131%
Consolidated Credits 131%	Trade Dev. Bank 131%
Co-operative Bank *1319	Trustee Savings Bank 134%
Coriothian Securities 131%	Twentieth Century Bk. 141%
Credit Lyonnais 13 (%)	United Bank of Kuwait 134%
Duncan Lawrie 1310	Whiteaway Laidlaw 14 %
The Cyprus Popular Bk 1310	Williams & Glyn's 134%
Eagil Trust 131%	Yorkshire Bank 13/5
English Transcont 131%	•
First Nat. Fig. Corp 14 %	We wented at the Vesting upose
First Nat. Secs. Ltd 14 %	oominique.
■ Antony Gibbs	deposits 11%.
Greyhound Guaranty 131%	t 7-day deposits on sums of fin, re-

BASE LENDING RATES

Amro Bank 1315	Julian S. Hodge 141%
American Conrace Di 1216	Hongkong & Shangbai 134%
A P Bank Ltd 131%	Industrial Bk. of Scot. 121%
Henry Anshacher 131%	Keyser Ullmann 1310
Associates Cap. Corp 14 %	Knowsley & Co. 14d 14 W.
Banco de Billiao 134%	110yds Bank 134%
Bank of Credit & Cree. 131%	London Mercantile 13:45
Bank of Cyprus 131%	Edward Manson & Co. 141%
Bank of N.S.W 131%	Midland Bank 131%
Banque Belge Ltd 14 %	-
Banque du Rhone et de	Samuel Montagu 13;%
_ la Tamise S:A 14 %	■ Morgan Grenfell 134%
Barclays Bank 1314	National Westminster 131%
Bremar Holdings Ltd. 1410	Norwich General Trust 131%
Brit. Bank of Mid. East 131%	P. S. Reison & Co 131%
Brown Shipley 131%	Rossminster 134%
Canada Perm't Trust 131%	Royal Bk. Canada Tst. 131%
Cayzer Ltd 14 %	Schlesinger Limited 134%
Coder Boldings 1910	E. S. Schwah 141%
Cedar Holdings 131%	Security Trust Co. Ltd. 141%
Charterhouse Japhet 131%	Shenley Trust 15.%
Caoularions 1319	_
C. E. Coates 13165	Standard Chartered 131%
Consolidated Credits 131%	Trade Dev. Bank 131%
Co-operative Bank \$1319	Trustee Savings Bank 131%
Coriothian Securities 131%	Twentieth Century Bk. 141%
Credit Lyonnais 131%	United Bank of Kuwait 131%
Duncan Lawrie 131%	Whiteaway Laidlaw 14 %
The Cyprus Popular Bk 131%	Williams & Glyn's 131%
Eagil Trust 131%	Yorkshire Bank 131%
English Transcont 131%	■ Mambaca at the Assessment December
First Nat. Fig. Corp 14 %	Members of the Accepting Houses Committee.
First Nat. Secs. Ltd 14 %	* 7-day deposits 11%, 1-month
Antony Gibbs 131%	deposits 11%, 1-month
Greyhound Guaranty 131%	t 7-day deposits on sums of (10,000)
Grindlays Bank	and under 11" up to £25,000 115% and over £25,000 115%
_	115% and over £25,000 11%%
Guinness Mahon 131%	! Call deposits over £1,000 111.
Hambros Bank 131%	§ Demand deposits 11.
	-

decided finally that an

rules was the best solution.

past three years has been lack

of demand. Nobody could have

predicted with accuracy the

extent of the recession which followed 1973, but the bearings

manufacturers were caught out

Although there had been a cer-

tain amount of rationalisation-

with the scale of the recession

FINANCIAL TIMES SURVEY

Wednesday February 28 1979

Industry looks for higher

brices

ly Hazel Duffy ndustrial forrespondent

VER THE past four years, the propean bearings industry has een suffering as a result of the ng recession in manufacturing idustry. This has been aggraited by surplus capacity, tought about partly because of pressed demand from custor industries, but also by the ense competition, from the

manese and others. In some European markets, tably the UK and France, the pospects for any substantial provement remain poor. But Japanese gave an undertaking other markets, particularly to put their prices up by 20 the climb out of has been more arked, and demand for bearstis picking up. At the same he, competition from Japanese arces has lessened because of e appreciating yen; and the mefits of rationalisation in prope—which is still going on ould start to show through. The bearings industry reflects closely the pattern in nufacturing industry as a ble. About 30 per cent of output goes to the auto-ive industry (higher for the specialised products), which competition, the dominant prob-lem for the industry over the that virtually all bearmanufacturers are very dent on the situation in The general industry takeş nd another 15 per cent, fol-d by machine tools, aeroand consumer durables. mpetition among bearings any years; it tends to be where customers go

e price of the finished prois all-important. e Japanese push started in

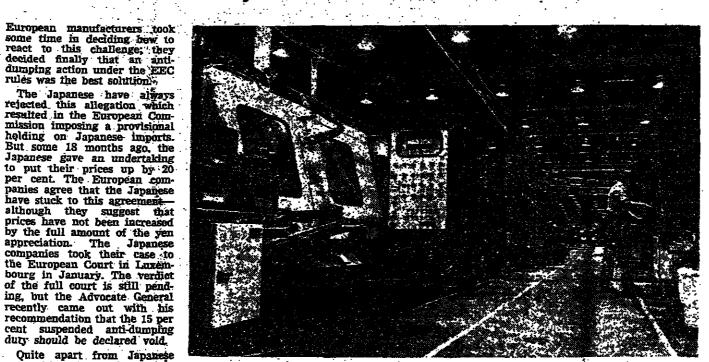
cheapest source—par-

Harly in the automotive and

mer durables industries,

BEARINGS

The recent past has not been a happy time for the European bearings industry, which has been faced with low demand for its products and competition from cheaper imports. There are signs that a recovery is under way, though this is likely to be slower in the UK than in other West European countries.



Linked lines of bore grinders for bearing inner ring grinding at SKF's factory in

country basis.

been set up in Brussels to co-more encouraging ordinate the scheme. But its France and the UK. and in the case of the UK there had been a regrouping of the big British-owned companies—it real benefits will not show up had not gone far enough to deal until demand improves and the plants come closer to capacity production. SKF's problem that followed. SKF, for example, areas in Europe are France and had chosen at about that time late 1960s, but their pre- to start implementing a Euro- the UK. In order to bring the

now concentrated on particular production in one factory, lead- In 1977, it increased profitability plants, while the factories are ing to the loss of 600 jobs at in spite of the difficult economic loaded according to demand and its factory in Scotland. In circumstances. Sales of the capacity, again on a European Germany, where SKF has a German companies in than an individual strong competitor in FAG, it has increased by 6.5 per cent, basis.

been more successful. Its ex- although worldwide the growth A computerised centre has perience in Italy has also been was only 2.7 per cent. Last year

second biggest bearings companies decreased slightly.
pany in Europe. Based at FAG has also been increased shightly its employment—in manufacturing and marketing 1977 it totalled 23,867 through-

than in proved more difficult, however, and turnover is not expected PAG (Kugelfischer Georg to be above the 1977 level. Schafer is its full name) is the Export from the German com-

for the European industry now is to get prices higher. The excess capacity and highly competitive conditions of the reces-

TOTAL

Japan France Sweden

UK TRADE IN BALL AND ROLLER BEARINGS IN 1978 IMPORTS £m. 85.8 29.7 14.1 9.4 9.3 6.4 5.3 France Germany Sweden South Africa Spain Others

hydraulic brake parts and grind-view taken was that this was the only way to keep factories running at an economic level, although it has still been necesme Hoffmann Pollard in the sary to close down factories for UK, and SNR a Renault subsishort periods. This all added up to prices being very depressed in the high-volume diary, are the next biggest European companies. They are followed by Timken, which has plants in the UK, France and sectors of the industry. The Timken group Over the past year or so, howis American-based, and is the ever, prices have been rising as world's biggest producer of companies took advantage of the small improvement in demand. In some markets, for example

tapered roller bearings. This type of bearing is one of five major types—the other four are ball, cylindrical, spherical, and the UK, where the motor industry has had serious prob-Timken is semewhat iems, this has been a more diffidifferent from the other major cult exercise. But the signs are that the leading companies will manufacturers in so far as it specialises in a particular type of bearing. The group's results suggest that it has been a very successful policy, although its continue to pursue a policy of higher prices wherever possible, and accept that they might have to lose market share as a result. strong base in the U.S., where The effect of the low prices the motor industry has been far more buoyant than in policy has been reflected in the poor financial results of much Europe, is part of the reason. of the industry. The main focus of attention

A growing threat to maintaining price increases, however, comes from Eastern Europe. Initially concentrating on the late 1960s, but their pre- to start implementing a Euro- the UK. In order to bring the manufacturing and marketing 1977 it totalled 23,867 throughsion led to companies going in replacement market, the Europeans are moving more into the promising intering the way in
the became felt in full pean-wide marketing and planlatter into profit by 1981, SKF facilities on a worldwide out the group—but this was due for aggressive pricing in order Europeans are moving more into the promising intering the way in
the profit of the promising intering the profit of the promising intering the profit of the promising intering the profit of the promising intering the profit of the promising intering the profit of the promising intering the profit of the promising intering the profit of the p

ing requirements, and at prices say the European bearing conpanies, which are sometimes as much as 30 per cent below the prices that they are charging. The markets where the East Europeans have been particu-larly successful are the UK, France and Spain, which are those that seem to be the most price sensitive. The countries which are the strongest in the East European export league are Poland, the Soviet Union and Czechoslovakia.

Companies used to take com-fort from the fact that East European bearings were of a lower quality, but this is becoming less apparent now. Some manufacturers have been pressing for an investigation on dumping to be taken up along the lines of that against the Japanese, but it may be difficult to reach a European consensus on such action, as the damage is more localised than that done EXPORTS by the Japanese.

Bearings are a mature product. They can be improved upon, and all the major companies spend considerable amounts on development. The American subsidiary of General Motors, New Departure-Hyart, claims its new integral ball-bearing spindle for fitting in front-wheel-drive cars constitues a radical innovation in design. But it seems unlikely that there is going to be a breakthrough in the design of high-volume bearings. In this area, rationalisation of variant and productivity improvement coupled with higher prices, are the only way out of the present malaise affecting large sectors of the industry.

Mainly for this reason, diversification among hearings manufacturers is nathering speed. Although bearings are still the dominant product for all the main groups, the growth in nonbearings products has been greater than for bearings, and these propositions could change significantly over the next few

Companies' policy on diversifi-cation varies—SKF, for example, has been expanding in cutting tools, which is a logical addition its special steel activities. Timken is heavily involved in other alloy steel products, which provide over a quarter of net sales, while FAG is engaged in a variety of related activities. With the outlook for manufacturing industry in Europe promising little in the way of



can be few more obvious ways of wasting money than turning tons of very. expensive steel into swarf.

And yet in bearing manufacture this is precisely what happens, day in, day out, all over the world.

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andais parent company Metal Box, are committed to a trill scale manufacturing programme in meet the demands of the world's beginne manufacturers. This is total tow's world. And thanks to Form Flo and Metal Blog.ht is here today." : *

Company	Country of origin	Financial year	Sales Şm	Bearings as on of sales	No. of employees
SKF	Sweden	1977	1.803	72	57,209
Timken	U.S.	1977	974	713	23,089
FAG	Germany	1977	645	75	23,867
NSK	Japan	1977-78	362	67	8,800
RHP	UK	1977-78	172	\$ 7	9,588
* Including roo	k bits.	•		Source: Ann	ual reports.

Rolling round the world

THE MANUFACTURE of ball and roller bearings is a high-volume, capital-intensive business, requiring specialised equipment and specialised technical skills. A standard hearing in the popular size range may be produced at the rate of 200,000 units per month, or 2 m a year; the biggest company, SKF, has a worldwide output of around 500m bearings a year. In most industrial countries production of ball and roller bearings is concentrated in the hands of a few companies: it is very difficult for a newcomer to break into the business, except through acquisition.
The manufacturers supply bearings direct to

the big OEMs (original equipment manufacturers) such as the vehicle companies, but rely on distributors to supply the smaller OEMs and the replacement market. Thus in the UK bearing houses like Bearing Service, Wyko and Wide Range provide an essential link, through their network of branches, between the manufacturers and the many thousands of equipment users who require a replacement service. Other big stockists, such as Claude Rye and E. J. Jack, carry a wide range of bearings, both UK produced and imported, supplied in small lots both to the smallers OEMs and to the replacement market.

The industry is highly international, both in the extent of inter-trading between the main producing countries and in the fact that the leading companies tend to make and sell their bearings in most major markets. SKF has built or acquired manufacturing plants in virtually all its main markets; its five big European plants specialise in particular bearing types to achieve economies of scale, and thus SKF is responsible for a significant proportion of the

exports and imports of hearings within Europe. Similarly Timken of the U.S., which specialises in taper roller bearings, has its own plants in the U.K., France, Brazil, South Africa and Australia. FAG of Germany, second in size to SKF among European-owned companies. has the bulk of its production concentrated in Germany (it exports nearly half its output), but it has manufacturing subsidiaries in several overseas countries, including the U.S., Canada and Brazil; production of these plants is supplemented by direct exports from Germany.

Some way behind the giants, but particularly strong in their home markets, are RHP in Britain, formed in 1970 by a Government-encouraged merger of three separate companies, and SNR in France. SNR, a subsidiary of Renault, has its main factories in France and exports about 30 per cent of its production. It has a joint venture in Italy with FAG and RHP to make spherical roller bearings.

In a slightly more specialised sector of the industry are the two leading manufacturers of needle roller bearings, Torrington of the U.S., a subsidiary of Ingersoll Rand, and INA of Germany, part of the Schaeffler group; Nadella of France is another significant contender in ncedle bearings. Torrington has plants in the UK, Germany and Brazil, as well as in the U.S. INA, too, has a wide international network, with factories in Germany, France, Italy, the UK, Spain, Brazil and the U.S. Torrington has a joint venture with NSK in Japan, while INA has licensed NTN to make its needle bearings in Japan.

Torrington and INA compete against SKF; FAG and the other across part of their range, but their special technologies protect them to some extent from the price-cutting which has taken place in this industry in recent years. Similarly, Fafnir, a subsidiary of Texton, has a special strength in precision ball bearings for the aerospace industry: it is also an important supplier to the machine tool, farm machinery and construction equipment sectors.

The four big Japanese companies, NSK, Koyo Selko, NTN and Nichi-Fujikoshi, have a substantial share of most major markets. The enlargement of manufacturing facilities in Europe and North America is likely to consolidate their position.

Finally competition from Eastern Europe appears to be growing. A number of brands such as FLT (Poland), GPZ (Soviet Union) and others are available in most European markets, often at low prices. The quality of most of these bearings is said to be good, and availability has been improved: some large ()EMs are now incorporating East European hearings into their products.

Geoffrey Owen

The U.K.

Little encouragement

THE UK market for hearings has been particularly depressed in the past two to three years. and has resulted in deteriorating financial returns, plus the loss of more than 2,000 jobs. equal to about 10 per cent of the work force. The latest industrial production figures, showing that the brief surge earlier last year had petered out by the end of the year, will offer little cucouragement for any manufacturer of components, while the prospect of inflation rising at u faster rate will make this an even more difficult market. At the same time, the problems in the motor industry, which is the single biggest customer for bearings, have made the bearings manufacturers even more wary of predicting much improve-

The UK, more than other European markets, is also suffering from the high level of car imports. This means that the (original equipment manufacturers) are forming a shrinking sector for the bearings manufacturers relative to their Continental counterparts, although the greater strength of the component sector is off setting this problem to a cer-tain extent. Prospects for the enginering industry generally, nowever, are not encouragingand this is the bearings indus-try's second biggest customer.

Exported

Exports are one way out of the UK market problems. Last year, the industry exported bearings to the value of £30.8m. which is around 30 per cent of total sales. Import penetration is causing more concern.

More than half the UK market. in value, consists of imports, of accounted for by transfer between companies with plants in other countries. But the industry's trade association, the Ball and Roller Bearing Manufacturers Association, maintains for that has a significant percentage. which a large proportion is that 'a significant percentage are low-priced bearings of Japanese origin." Low-priced East European bearings are also significant.

The UK industry is headed by Ransome Hoffmann Polard (RHP) which probably has around 25 per cent of the market. The company was brought about by the merger of three companies in the late 1960s, which was followed by considerable rationalisation. In



A Talyrond machine linked to a reference computer being used to check the accuracy of RHP bearings.

the light of what has happened broadly the same range. SKF's group's American production to the market over the past UK operation has been losing The boom period enjoyed by the three to four years, the merger can be seen to have been even more necessary than appeared

The group suffered a setback in profit last year, returning a pre-tax profit of £3.8m (bearings encountered by RHP maintaining its market share. The group

money to the extent of an esti- automotive industry in the U.S. mated £5m last year. In Januhas been reflected in Timken's ary, it announced that it would group results, which will be recease bearings production at its leased shortly. Separate profit Scottish plant by the middle of figures are not released for the the year, and will concentrate all its production at Sundon, near the second of the more than the second of th £2.1m) against £5.1m (bearings Luton. This latter plant has difficult conditions in the motor £3.4m) in the previous year. re- already absorbed all the work industry. British Timken, howpreviously done at SKF's Luton ever, is understood to be profit-plant, which has been closed down. Sundon will not receive not attempted to rationalise prowas marginally more optimistic an investment of £3.25m over duction by concentrating certain

about the current year, particularly as regards prices, when its result of this programme, SKF plants. The group's plants world-report was published in December.

subsidiaries of two other American groups - Fafnir, which belongs to the Textron couglemerate, and Torrington, part of Ingersoil-Rand.

Faintr makes bearings for the verospace and other high technology industries—including the Rolls-Royce RE211 engines—se well as standard bearings. The specialisation has not resulated the company from the reco sion, however, and in the middly of last year it announced that it would be rationalising UK production with the loss of 400 jobs. Standard bearings are now concentrated at the Hednesford, Staffs, plant, which received the major part of a £2.5m capital spending programme undertaken by the company four years ago, while specialised bearings are con-centrated on Wolverhampton. Prospects for Fainir should start to look up with the long-swalted expansion in the aero-space industry, and particularly Rolls-Royce, now getting

under way.
Torrington also has two
plants in the UK—at Darlington
and Coventry—where it makes a
range of bearings.

In the face of rationalisation in most branches of the bearings industry, some expansion is still going ahead. NSK, the big Japanese group, which opened its Peterlee, County Durham, factory in 1975, concentrates on high-volume bearings in a limited range. Expansion plans for the factory are being pre-

pared. Another company which plans to create some 200 new jobs by next year is Michell Bearing? part of the Vickers group. It specialises in making whitemetal bearings for marine and industrial applications, and last year it moved into a completely rebuilt factory in Newcastle. The company employs around

Hazel Duil

Slipping into deficit

A FINANCIAL TIMES SURVEY FOUNDRES

WEDNESDAY, 25 APRIL 1979

The Financial Times proposes to publish a Survey on Foundries. The provisional editorial synopsis is set out below.

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THE FRENCH hearings indus—
The second problem is one FFIS 47m (£5.5m) or five per the Jura area of castern Franciscus try has been going through a of price. Volumes of imports cent of the market in 1977. On The second largest Franciscus particularly tough time during have not some up very rapidly a weight basis of 2.800 tonnes, bearings company in 55.5k. the past two years. Under the in the last two or three years, this accounted for about 9.2 per SNR's speciality is waterpressing. pressure of overseas competibut prices have become so keen cent of sales. Like Japan's, East tion—stronger, it believes, than that the French manufacturers Germany's sales have stagnated

The big companies— SKF France, the French offshoot of Sweden's SKF and Société Nouvelle de Roulement (SNR), the Renault subsidiary—made losses last year and a series of trimming operations have been forced on the main manufac-

European industry, the French producers face strong competition from two main sources. Japan and Eastern Europe. The Japanese issue is now hanging fire in the European Court, following the anti-dumping action taken out against it, and the French feel that the competitive pressure from this direction has cased a little in the last year or so. But Eastern Europe presents other problems. One of these derives from the success the French have had in

Like the rest of the Western

their trade with the Comecon area. The more the French succeed in selling to the Eastern bloc countries, the more they are obliged to buy back. Thus, the industry is suffering to some extent, from the breakthroughs made by companies like Renault. Citroen and Peugeot in recent years in selling their technology to Comecon.

This has become the main complaint against the Eastern Europeans, who are particularly insensitive to Western pricing systems because of their somewhat arbitrary manner of fixing wholesale rates. It has led to discussion and preparatory work on a possible anti-dumping case against the Comecon manufacturers, which may be taken up at the European level.

Despite these anxieties about the challenge from Eastern Europe, the present position is that Japanese imports are far more important in France. In 1977 they accounted for 11.4 per cent of the market, with sales valued at FFr 108m (£12.7m). On a weight basis, the Japanese accounted for 14 per cent of the market, with 4.300 tonnes of sales. Comparison of those figures with 1975 shows that there has been a clear decline: sales in that year accounted for 14.6 per cent of the market by value at FFrs 102m. and 18.7 per cent by_weight at 5,300

East German imports still amount to only about half of the Japanese total, with sales of

in 1975, but over a 10-year

period the trend has swung clearly upwards. In the ball bearings sector, for example East German sales had more than doubled from 615 tonnes in 1966 to 1,500 tonnes in 1977. Challenge

The French industry itself has had to respond to this challenge from overseas by rationalising and concentrating its efforts. In the past two years the contraction has been particularly severe, with employment in the industry cut back from 15,000 to 13,500. But before then the industry went through a long process of mergers and reorganisation which left it in the hands of six main companies.

The most important of these groups is SKF France which has absorbed many smaller comsified interests in France across

sealed bearings, which termint for about 40 per cent of its cutfelt elsewhere in Western feel they have been caught in a little in the past three years, put, and it has a natural bias Europe—the industry has been an ever-worsening spiral of having accounted for 5.9 per towards motor industry applications steadily deeper into trimmed margins and deeper cent of the market at FFrs 41m tions. But its products are the range of bearings. The of employs over 4,000 to about Frs 500m a year. Behind these two beading

groups comes a clutch of the number of small operations cm ploying only handfuls of workers. The four are Roulement Nadella, a company based in the Paris region making needle bearings only: Timken France, a subsidiary of the big American group, specialising in taper roller bearings, which is based at Colmar in Alsace and competes in its product with SKF and SNR: INA Roulement, another needle bearing manufacturer which is an affiliate of the German company of the same name and is also based in Alsace: and SNFA, the Societe panies in the last 15 years to atique, which is a specialist in emerge as a company with diverting the alreast industry.

All these companies at the the range of bearing products, moment seem to be suffering Its factories are concentrated in from the general stagnation of the Paris region, though it also the market. The optimists think has interests in Tours and in we can recapture this year a

CONTINUED ON NEXT PAGE



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Record of steady growth

tALL AND roller bearings annufacture in the U.S. is an nalogue for many another merican industry these days. Olal shipments have enjoyed and but introctagellar growth rady but unspectacular growth ver the last six years, some of principal names are subdiaries of larger corporations, roduct development has been ist about adequate and some Fits basic markets have been ell penetrated by imports, parcularly from Japan. With its 1978 sales expected

The growth in total ship-ents has been at an annual impounded rate of 8.4 per ear since 1973 and, according the U.S. Department of minerce, they were worth 163bn last year, 7 per cent ove than the year before. The partment is projecting a milar rise in value for 1979, hich may not be far off the ark even if the economic sinturn predicted by many ivate economists actually ivate economists actually curs. Though not immune om cyclical trends, about 75 r cent of total shipments go to ignal equipment manufac-rers and the balance in re-acement supplies to the soiled after-markets. A decline the fortunes of the automoe industry will be more than set by the strength of mand from the railway equipent and capital moods sector.
With the outlook for U.S. fation so uncertain, the partment has switched to estant dollars when making lunger-term forecast for the Instry's shipments, which are nected to grow at a compound

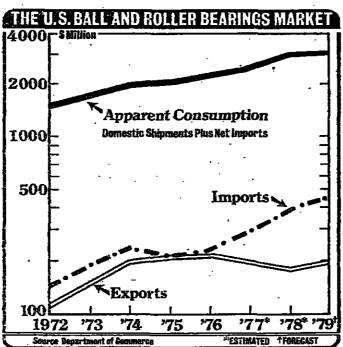
grage rate of 2 per cent until Behind these figures are a rail equipment and capital

number of companies which are expressing themselves satisfied with market prospects and the achievements of the past year. One of the most successful, Timken, based in Ohio, has built a dominant position world-wide in the manufacture and marketing of tapered-roller

Largest

to have exceeded \$1.1bn, Timken is by far the largest U.S. bearings manufacturer. In the last ten years, its sales have more than tripled and although falling margins have not brought a fully equivalent growth in earnings Timken is generally credited with a management shrewdness which has enabled it to beat off a series of competitive challenges. Its hold on nearly 85 per cent of the U.S. market for tapered-roller bear-ings is based on sound tech-nology (Timken has one of the industry's two large research and development departments) and the advantages of an integrated manufacturing operation from which the company supplies almost all its own steel requirements. Strong com-plaints from Timken prompted U.S. Government restrictions in the early 1970s against cut-price imports of tapered-roller bearings from Japan. Among smaller domestic U.S. companies, Torrington, a subsidiary of Ingersoll Rand, and Brenco (sales \$50m plus) are credited with keeping Timken on its competitive toes.

But its strength in a wide number of markets—automotive,



goods-is generally seen as subsidiary. GM does not reveal providing a cushion against the economic cycle which is further augmented by highly-profitable operations overseas, principally in Britain, France and Brazil. Altogether these provide about 26 per cent of the company's pre-tax income.

Some analysts believe that a proportion of Timken's business with the automotive industry may be threatened by a new development made by New Departure - Hyatt, General Departure - Hyatt, Motors' bearings manufacturing

what proportion of its total requirement is drawn from its oddly-named subsidiary, formed from a combination of two companies in 1965. However, accompanying the automotive giant's plans to produce an increasing number of four-wheel drive cars has been a new departure — Hyatt's recent an-

hailed its creation as a "revo- roller bearings after the latter of the market for some cole lutionary product," following had decided to cease manufactures of small bearings. eight years of engineering turing them. Following a recent development and millions of court decision, SKF 50 far has

miles of testing. The company says that its spindle is a totally integrated assembly to replace the tapered-roller bearing and is pre-adjusted, pre-lubricated and sealed. The company also claims that the spindle will reduce the weight of the wheel mounting, improved durability reduce rolling frictions. durability, reduce rolling fric-tion and eliminate the need for adjustment. After allowing for hyperbole, there seems little doubt that it has developed a component which is going to be of considerable interest to General Motors' rivals and

it developed an integral spindle for automotive use before the General Motors company. At the moment SKF in Europe is trying to sell the spindle to a number of European manufac-turers of front-wheel drive cars.

the last ten years acquisition by ducts reduced the growin

Swelled

Since 1970, the ranks of foreign bearings companies manufacturing in the U.S. have been swelled by the addition of of considerable interest to three Japanese companies: NTN, which may lead to rival versions from other bearings manufacturers. Germany's FAG also has a U.S. plant. in Joplin, Missouri. Nevertheless, foreign companies One, SKF Industries, the North American subsidiary of AB SKF of Sweden, claims that a lineage of special spindle of the state of the st into the U.S. than they are manufacturing locally and their impact has been felt most keenly in the market for small-sized bearings.

A number of companies, in SKF Industries has been cluding New Departure-Hyalt established in the U.S. since and Fatoir, a subsidiary of 1908 and now has six manufac- Textron Inc., came under some turing plants and annual sales, pressure from imports in the of almost the full range of SKF early 1970s, but the imposition of almost the full range of SKF early 1970s, but the imposition bearings, worth about \$250m. In of special duties on certain pro-SKF of two smaller U.S. companies, Tyson and Nice, has attracted the opposition of the Federal Trade Commission, which also took exception to a marketing arrangement between \$5590m, or 14 per cent of total marketing arrangement between \$590m, or 14 per cent of total SKF and Federal Mogul which shipments. The Department of draws about half of its \$560m Commerce anticipates a further nouncement of an integral ball bearing spindle specifically designed to be fitted to front-wheel drive cars.

New Departure-Hyatt has Federal Mogul with tapered spilled its greation of a "rate" page of the arrange in the value of imports this year. However, these gross figures mask the fact that imports have relief the greation of a "rate" page of the market for some captured as much as 30 per cent relief bearings often the latter of the market for some captured as much as 30 per cent relief bearings often the latter of the market for some captured as much as 30 per cent growth.

John Wyles

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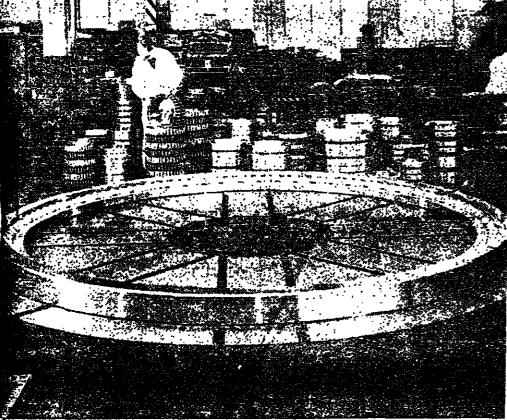
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Deficit

During the past three years, Tonnage from PFr 1.6bn to PFr 1.74bn.

sharply in these years, from tonnes to 17,000, thus illustrating the main French anxiety about prices: the increased volume is not leading increased turnover and

The French bearings manufacturers—like most of the engineering sector—have made efforts to make up for these difficulties in recent years by selling more overseas. But they have not been quite able to match the increasing pressure from importers.

In 1975, for example, the French managed a positive

balance on their bearings trade, selling FFr 722m overseas and selling FFr 722m overseas and importing products worth FFr 700m. A much poorer performance in 1976, when exports slipped from 26,000 to 25,000 tonnes, saw trade dipping deeply into deficit, with FFr \$22m of imports against FFr 733m of exports. There was a slight recovery last year was a slight recovery last year, but the negative balance re-mained, with imports at FFr 945m against exports of FFr 922m.

Among these exports, the French note that they make virtually no impression on Japan: sales to Japan in 1975 amounted to FFr 978,000 and 36 tonnes. By 1977 they had slipped to 5 tonnes worth FFr 48,000.

Given the present onllook for French industry, which seems to be heading for a slight upswing this year, the bearings manufacturers feel they have some hope of achieving an im-provement. But they insist that expansion can only be successful if accompanied by satisfactory pricing policies based on fair competition.

The industry argues that it has done a great deal to rationalise itself in recent years and develop the sort of inter-national profile which the Government seeks in its indus-trial policy. It now feels that this needs to be backed up by measures to put it on a safer footing in competition with its

Terry Dodsworth



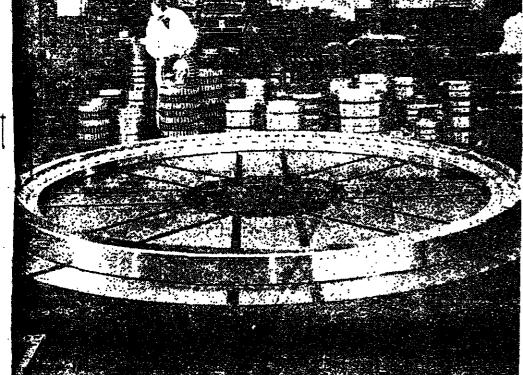
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BEARINGS PART OF THE RENAULT GROUP



CONTINUED FROM PREVIOUS PAGE

Holding the heart

an industry in fact, the industry has not inmomist. "But there is no creased its turnover fast enough ight that we have gone to keep pace with inflation, bugh a difficult patch and the Between 1976 and 1977 it went salts of the big companies are up by only about 8 per cent.

in our hands.

of industry

In Wolverhampton we are at the heart of the ndustrial Midlands, and our bearings are at the heart of nanvindustries. From aerospace to agriculture; business machines

to buses; conveyors to computers; tans to food machinery; generators to go-karts; looms to lawn mowers; machine tools to motor cars. People in all industries depend on Fainir Bearings. Our technology can get to the very heart of your problems too.

FAFNIREREN

Father Bearing Division of Textron Limited, Upper Villers Street, Wolverhampton WV2 4NT, Telephone, 10902) 26101,

A painful adjustment

adjustment to a period of Japanese production of ball slower economic growth in and roller bearings is dominated which the opportunities for in-creasing exports from Japan are Seiko KK (usually known as limited both by the years appre-ciation and by protectionist Bearing and, smallest of the pressures in major overseas four. Nachi-Fujikoshi. In the markets. Steps being taken to period up to 1973 their growth meet this new situation include was based mainly on rapidly a greater emphasis on non-bear- increasing demand from domesing products, such as machinery tic user industries, particularly and automotive components, and the motor industry which takes a switch from direct exports of about 30 per cept of total probearings to overseas manufac-ture. The supply of complete been highly competitive exof the strategy for recovery.

As in TV sets and perhaps eventually in passenger cars. much will depend on whether levels. the Japanese ball bearing manufacturers are able to reach the same levels of manufacturing efficiency and product quality in their European and North American plants as they have achieved in Japan. In most industrial countries they are up against strong local competition although the Japanese signed and it will not be easy to an undertaking to raise their 1976 increase their market share, prices, provisional anti-dumping 1977 But it is certain that the Japa- duties were imposed. The subse-

bearing plants. notably in porters, especially of the Eastern Europe, is another part smaller-size bearings, a big of the strategy for recovery. Surge in overseas sales took place after 1973 as some manufacturers sought to maintain their production at pre-1973

An aggressive approach to exporting by the Japanese coincided with a period of low demand, excess capacity and weak prices in Europe and North America. An anti-dump-ing complaint was filed by the European manufacturers and, 1974

separate article on this page, ending next month. but the effect of the price inon Japanese hearing sales in Europe: indeed, they were faced with large stocks which took a

The impact of the more difficult trading conditions can be of 1977-78 to Y841m in the illustrated by the financial resuits of Koyo, which had been exporting nearly 30 per cent of its production and had about 88 per cent of its business in bearings: it is especially dependent Y30m. At the same time NTN on sales to the motor industry, has been increasing its sales In the year ending March 1978 Koyo made an operating loss of front-wheel-drive cars. NTN has Y2.352m (about \$11m) on sales been exporting about 23 per

deliveries

Value

(Y100m)

2.914

long time to clear.

of ball and rollog bearings are significant force in the world finished, is described in a big loss is expected in the year 77 per cent of its business in the throes of a painful bearings industry.

Throughout the industry costs, reduce inventories and develop new products. NTN has been able to reduce its operat-ing loss in successive half-years from Y1,345m in the first half second half and Y364m in the first half of 1978-79 (April-September); with the help of property sales the net loss in this latest period was cut to of constant-velocity joints for

314 276

To U.S. (Y100m)

SALES PERFORMANCE 1974-77

(ball and roller bearings, including parts)

1,045

931

Value As % of To EEC (Y100m) deliveries (Y100m)

35_9

33.7

THE JAPANESE manufacturers nese companies will remain a quent legal action, still up of Y101,482m (\$461m); another cent of its output and has some

All three leading companies crease was to put a sharp brake there has been a drive to cut have had to cut back the volume of their bearings exports. NSK, whose biggest export market is Western Europe (taking about 29 per cent of total exports), followed by North America (18.4 per cent.), reported a 27 per cent drop in exports in its 1977-1978 financial year. This company has not suffered losses in the post-1973 period, partly because it had a lower export proportion than the other two and partly because it was quicker to adjust its output to the reduced demand. Ner income after taxes fell from a peak of Y2.716m in fiscal 1973 to Y1.050m in fiscal 1975, but had recovered to Y1.792m by fiscal 1977: a further improvement is expected in fiscal 1978, ending on April 30, 1979.

NSK's total sales in 1977-78 amounted to Y123.628m, of which 67 per cent consisted of

policy on overseas operations, as stated by the president, Mr. Masao Hasegawa, "will be to continue to stress having overseas subsidiaries with a firm base in the economies of the host nations, both to contribute to economic development in and service. those nations and to minimise the effects of currency fluctua-

NSK's Brazilian plant was set up in 1972. In the following year the company set up a joint manufacturing venture in the U.S. with Hoover, which had been an important customer for Japanese-made bearings for a number of years. Since 1975 the three American plants have been wholly owned by NSK (though Hoover remains a substantial customer) and account for the bulk of the company's sales in that market. In Europe. NSK had been considering the possibility of a factory in the UK since 1971 and, despite opposition from local manufacturers, decided to go ahead with a new plant at Peterlee, Co. Durham, which started production in 1976. This plant is now working on three shifts and is producing about 1.6m bearings a month; last year about 80 per cent of its production was exported, mainly to Continental Europe.

Although Koyo has a manufacturing facility in the Netherlands. NTN in Germany and Nachi-Fujikoshi in Spain, the amounted to Y123.628m, of bulk of Japanese bearing sales which 67 per cent consisted of in Europe are supplied from bearing products. The company is seeking to diversify its product range and recently established a joint venture with greater investment by the Rayaba Industry to make power Japanese companies in over-steering systems. Scas production. These local

company's long-range plants normally will be supported by wholly-owned sales subsidiaries; NSK, for instance, has its own sales companies in the UK, Germany, France, the Nemerlands and Italy and has been investing in computerised warehouses to improve delivery

> European selling prices of most Japanese bearings have increased substantially over the past 18 months—by as much as 40 per cent in some cases—and the Japanese manufacturers are as anxious as their European rivals to see the higher prices stick. As with any high-volume, capital-intensive business there is always a temptation to keep plants running at full blast by cutting prices to the bone, but the Japanese are not the only ones to succumb to that temptation. They argue that in the past year or so the low level of prices in Europe has been

caused partly by the deter tion of certain Europ panies to maintain ortheir market shares.

The Japanese are also can cerned, like the Birtish in Continental companies, si the low prices being quoted East European suppli Whether this awareness of common threat will belp to dis pel the chill in relationships between European and Japaness hearing manufacturers remains to be seen. But it is quite clear that the Japanese companies. through quality and service as much as price, have established a position in the European mar-ket from which they are nolikely to be dislodged. As they strongthen this position with local manufacture, they should eventually come to be accepted as part of the European Indus-

Geoffrey Owen

The dumping battle

BETWEEN 1974 and 1976 make it, he did not think that Japanese sales of bearings to one could speak of duress justithe EEC countries increased by 40 per cent, reaching a 17 per cent market share. It was claimed that this was achieved by charging up to 52 per cent less than European manufacture. turers. The EEC adopted antidumping measures in 1977 and these led to a long legal confest between the Japanese ballbearing manufacturers and the argued also that the commis-EEC Council and Commission, sign was inconsistent and The litigation is now drawing to its close and the European Court's judgment is expected

On February 14 Mr. Jean-Pierre Warner, one of the European Court's Advocates General, presented his Opinion on the five actions which Japanese makers, their European subsidiaries and one acent brought against the council and the commission. The companies asked the court to annul the anti-dumping measures which the Community adopted in 1977 and to award them damages for loss which they claim to have suffered as a result of these measures.

Mr. Warner found the Japanese applications to be largely justified though the Court may or may not accept his opinion. Mr. Warner also proposed that the Council and the Commission should pay two thirds of the legal costs and that the Federation of European Bearing Manufacturers Associations should contribute the same proportion of costs caused by its interven-

Clumsiness

It appears that the EEC has shown an extraordinary clumsiness in handling this matter. Mr. Warner proposed that the court should declare void Council Regulation No. 1778/77 which imposed a definitive suspended anti-dumping duty of 15 per cent. In his view the basic rules contained in Council Regulation No. 459/68 did not create powers for the Council to impose a suspended duty after the commission accepted as satisfactory the exporters undertakings to raise prices by 20 per cent. Still less justifica-tion could be found for a suspended flat rate countervailobservation of the undertakings given by Japanese exporters.

In Mr. Warner's view this was an instrument so blunt as to be entirely incompatible with Article 19/3 of Regulation Article 19/3 of Regulation 459/68, which requires that the countervailing duty should cor-respond to the difference between domestic price and the dumping export price. By stipulating suspended duty at a flat rate of 15 per cent the regu-lation gave the Commission only the choice between a 15 per cent duty or nothing. In Mr. Warner's opinion it was not flexible enough to enable the the choice between a 15 commission to satisfy the requirement of Article 19/3. The flat rate made it impossible to take into account the actual degree of dumping and to differentiate between products sold at different prices.

Mr. Warner also agreed with the complaing companies that the Commission and Council were off-side in respect to a number of procedural rules. In particular the Commission should have told the companies how its investigators calculated the alleged difference between Japanese domestic and export prices. Nor did the Commission give the four leading Japanese bearing manufacturers an opportunity to make use of their right to be heard.

The Commission's investigations of Japanese prices in Europe were also incomplete: the commission left two thirds of Nachi-Fujikoshi's imports out of consideration.

On the other hand, Mr. Warner did not find the Japanese claim for compenscation justified. The Japanese companies did not suffer any damage by theimposition of the suespended duty, he argued. Any damage or loss which they have suffered must be traced back totheir undertaking to increase prices. This was a voluntary undertaking and though the Commission's negotiators may have put pressure on them to

fying a claim for damages. The Japanese compan

The Japanese companies never admitted the existence of dumping. They imist that their undertaking to increase prices by 20 per cent was made solely to avoid the issport duty which the Commission threatened to

The Japanese impossible to please. It earlies impossible to please. It earlier attacked as contrary to EEC competition law their undertaking to increase prices in France which they gave in 1972 as part of an appearant with the French bearing industry. But Mr. Wanter diought there was no inconsistency because a private agreement infringed the anticarted rules of the EEC. the suti-cartel rules of the BEC Treaty but hasislation did not.

Claimed

Of the five actions four were brought by the principal Japanese ball-bearing producers and their European guissidiaries: Nachi Full-bahi. Nippon Seiko, Koyo Seiko and NTN Toyo Bearing. The fifth is by the import Standard Office the exclusive agent of Nachi in France. The Council and Chambiano cleined, that none of these artions was aministrate because the regulations were a because the regulations were a legislative action and not decisions directly concerning individual rights. Mr. Warner found the objection of non-admissibility justified only in respect of the French agent of Office, whose interests were not

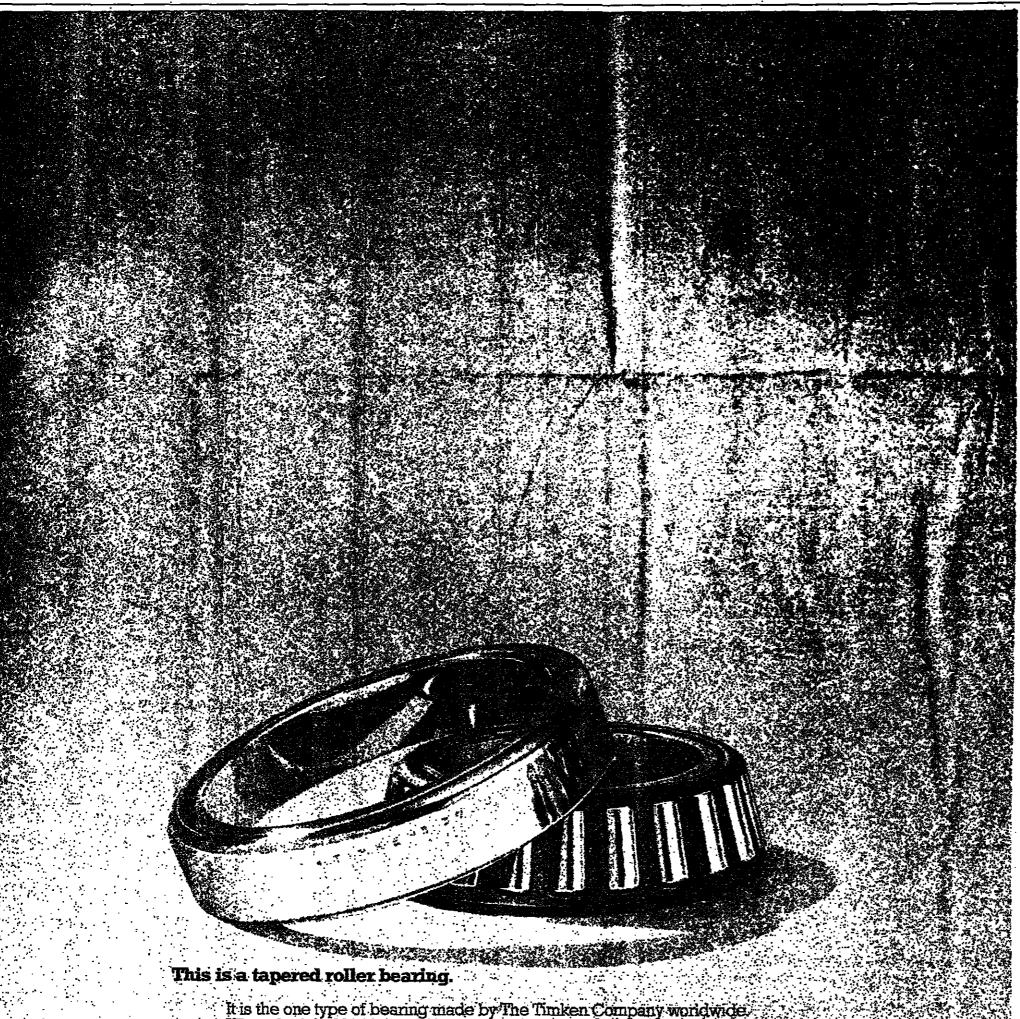
effected directly. The dispute, which can be traced back to the 1972 French-Japanese ball bearing agree ment, flared up when the EEC dumping duty of 20 per cent by Regulation 261/77 of February 4, 1977. This obliged importers to provide bank guarantees to cover this duty. Subsequently, a definitive duty of 15 per cent was imposed by Regulation 1778/77. The Commission then made moves to collect this duty for the period between February 4, 1977 and August 3, 1977 When the Japanese companies' undertaking to raise prices was accepted. Opposing this move the Japanese companies asked the court for an interim measure of protection, suspending ing the payment of these

Applications

The European Court had by that time already received the applications attacking Regula-tion 1778/77 and on November 3, 1977, Dr. H. Kutscher, the court's president, granted the Japanese companies a stay of the payment order. He said that the Japanese exporters need not pay the EEC countervalling duty until the court had dealt with their main actions directed against the validity of the measures taken by the council

often settled by a Japanese undertaking to observe self-restraint in the volume of exports or to raise prices. The imposition of a flat rate suspended duty to ensure observance of a Japanese undertaking on the very day when the undertaking was accepted as satisfactory by the commission was certainly a novel procedure. Whatever the reason for the commission's over-enthusiastic approach, it did not seem to produce a legal instrument suitable for the purpose. Fortunately, if the Court now agrees with Mr. Warner and declares the regulation roid, nothing much will be lost. The Japanese companies have so far observed the undertaking which they gave in 1977 and there is no serious doubt that they intend to continue to do so ter the time being. Nothing hi been heard, so far, about an new investigation planned commission. So Japanese ball-bearing seems to be just another those Laxembourg latestons which both parties try to another which both parties try to another the seems of the se

that they were right with expecting any great material benefit from the result. A. H. Herman



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and the commission.

Trade disputes with Japan are

GLC boost for world commodity centre

BY JOHN EDWARDS, COMMODITIES EDITOR

ME GOVERNMENT is ex- tions stayed in London. He some £200m a year in invisible

This follows the announce-place. End by Mr. Horace Cutler, oder of the Gerater London The suncil, that the GLC was prested to consider investing 150,000 in the proposed Centre.

150,000 in the proposed Centre.

150 offer, Mr. Cutler, explained

150,100 in the proposed Centre.

150 offer, Mr. Cutler, explained

150 offer ace in trying to persuade hitchall to make a decision. Mr. Cutler said that the proised contribution would be a grinwhile investment to help ensure that London remained assinancial centre of Europe

nities.

BY CHRISTOPHER PARKES

munt taxes and subsidies on

hed to take effect in mid-

will mean that manioc-

cereal replacers will no

er be competitive and feed

kers will be forced to switch

no in Prutain this season by

tween 100,000 and 125,000

llowever, traders said, the

ects of the committee's move

the gram market had already

at to barley and wheat.

ifish market.

acted to announce a decision hoped that the Government and the week on the financial supart it is prepared to give for enthusiasm in backing a pro-World Commodities Centre in ject that would boost London's role as an international market

> The GLC offer comes in response-to an appeal for funds to back the World Commodities Centre project. The idea, launched in January 1976 by the Parliamentary Group for World Government, is that the Centre should provide better facilities for international commodity organisations.

It is feared that without the provision of better facilities these organisations may be tempted to go elsewhere and weaken Britain's present domi-nant position as an international dathe world. It was viewed commodity trading centre. part of the overall policy of

The organisations are estitracting life and business to mated to produce directly some mdon to improve the financial £2m a year for Britain, and so and employment opporanother £100m through the administration of buffer stock

Compounders had taken

while they were available, but suffer from the changes which

an substitute, is almost cermost had recognised that in will probably cost them valu-

BY K. K. SHARMA IN NEW DELHI

10.3m over the previous year, 440.9m kilos. according to the United Planters Association of Latest info

rer said the decision would during 1978 reached a record increase of 11.3m kilos in North obably increase demand for 571.1m kilos, an increase of India where output reached

action was inevitable.

Southern India.

advantage of the cheap imports of manioc will be the first to

Record tea crop in India

It is calculated that more than £6m will be needed to provide the extra con-ference facilities required over and above the actual cost of the site for the proposed Commodities Centre. Funds for purchase of the site would be raised by normal financial

means.
City institutions are being asked to agree in principle to contribute £3m into a company that will be formed as a vehicle to finance the Centre. The initial capital would be supplemented by borrowing on a long-term basis with mortgage of the Centre as security.

The pre-conditions to institutions taking up shorts in the

tions taking up shares in the proposed company are that the Government provides an amount not les than that raised from City sources; that the International Commodity Organisa-tion commit themselves to occupation of the office premises

A world centre would help to funds. The London commodity and that it can be shown the sure that commodity organisa- markets themselves produce project is finacially viaible. France wins manioc battle

At present the MCA subsidy

on replacer pellets sent from Germany to the UK—generally

a mixture of manioc and pro-

tein ingredients—is worth up to £32 a tonne.

able export markets in France

There was also an impressive increase of 11.3m kilos in North

Latest information available

to the Association suggests that

as well as the UK.

German and Dutch processors

• Prices finished generally lower on the London Metal Exchange yesterday after fluctuating widely during the day. Copper cash wirebars closed at £995 a tonne, down £7.5 on the day. Silver was marked down 13.7p at 370.6p an ounce at the morning fixing on the London bullion market but by the close the LME price had recovered to 375.15p an ounce for a net fall of 2.15p.

Stockpile

sales bill

planned

authorising the sale of raw materials from the U.S. strategic stockpile will be

introduced in Congress pos-sibly by Friday, according to Administration officials

reports Reuter.

The legislation to be pro-

posed by the Office of Management and Budget will

come into effect, if passed, in

the 1980 fiscal year beginning

legislation has been com-

pleted calling for stockpile

acquisitions estimated at \$177m and disposals of between \$230m and \$250m.

U.S. tabled proposals for a possible copper price stabilis-ation agreement, built around

a reserve buffer stock of at

U.S. delegate, Mr. Richard Ogden said a buffer stock of at least that level was needed

to ensure a reasonable degree

wide enough to moderate cyclical price movements without interfering with seasonal or day-to-day fluctu-

f price stability The price band should be

In Geneva meanwhile the

The officials said that draft

on October 1.

least 1m tonnes.

ations, he said.

Colombian coffee prices adiusted

By Our Commodities Staff COLOMBIA HAS lowered internal coffee prices and taxes. The buying price is down 12 per cent, while the retention tax is reduced from 80 per cent to 45 per cent. Sr. Arturo Gomez, by New Zealand's claim to manager of the National continue selling dairy produce Coffee Producers' Federation. in the British market. announced in Bogota yesterday. The new internal buying price This was possible because of the world crop in 1978 can be the harvest of 130.2m kilos in south India which is close to the record of 1977.

This was possible because of the world crop in 1978 can be is 6,400 pesos (£76) per 125 kilo placed at around 15n kilos, an load compared with the 7,300 increase of about 12m kilos over the record of 1977.

UK FISHING INDUSTRY

Plea to restrain fleet expansion

BY RICHARD MOONEY

Washington - Legislation

He was particularly concerned about the growing number of super-efficient purse seine chased without the Authority's vessels in the fleet. These consent. But this failed to vessels encircle fish with a net, check the inflow and WFA the top and bottom of which figures, which are by no means are then closed. The method complete, show that another S6 is "devastatingly efficient" for vessels—mostly second-hand—catching pelagic (free swimming) fish a WFA spokesman was many of them from ming) fish, a WFA spokesman year, many of them from said.

As distant water fishing opportunities have been closed off and coastal water stocks have declined some vessel operators have responded by intensifying their fishing efforts through the employment of bigger and more efficient boats, Mr. Meek said. Industry Board have been able to exercise some control over the size and constitution of the fleet through their administra-tion of grants of up to 25 per cent for the building of new

fishing fleet's catching capacity.

Mr. Charles Meek, chairman of the White Fish Authority, said in London vesterday.

In an effort to check this methods in London vesterday.

Line when all the evidence tells the vessels also use specialised system, would make owners think twice about ordering new datapased to other fishing vessels since it would include the methods in London vesterday. In an effort to check this methods. trend Mr. Meek warned vessel The clo in London yesterday. trend Mr. Meek warned vessel

He was particularly concerned owners that they could not expect grants for vessels pur-catching power. Mr. Meek said, chased without the Authority's has been the enormous effort consent. But this failed to concentrated on the West Coast consent. But this failed to concentrated on the West C check the inflow and WFA mackeral grounds which figures, which are by no means forced the Government to

> Norway. "That figure has increased by a couple of dozen even in the past month," the WFA chairman said.

In addition vessel owners have on order another 20 purse seiners which will increase Britain's fleet of these vessels The WFA and the Herring to 60 by the end of this year. "Such is the power of the purse seine technology that this represents a further tremendous increase in catching power."
Mr. Meek warned.

The purse seine technique. developed in Norway, was intro-"In the past couple of years duced into Britain in the midthat control has been slipping 1960s. By 1977, 27 British simple and could be taken quite away from us, and the conse-vessels—all but one of them quickly, he said. Such a move, quence has been that we have operating from Scottish ports— apart from laying the ground-

THE GOVERNMENT should an accelerating accretion of were using purse seine nets, work for the eventual introduc-take steps to curb the uncon-additional catching power at the which cost up to £70,000 each, tion of a restrictive licensing trolled expansion of the UK time when all the evidence tells. The vessels also use specialised system, would make owners

The clearest indication of the effect of this enlargement of forced the Government to ban mackerel fishing between complete, show that another 86 mackerel March 10 and June 2. If nothing is done extra vessels will continue to be

added to the neet making the orderly re-structuring of the industry virtually impossible and fisheries management will become much more difficult, the WFA chairman added. But he could offer no simple

solution. "The introduction of a restrictive licensing scheme could be the answer but such a scheme would be extremely difficult to design and administer.

As a first step, however, he thought the Government should grant licences to all vessels currently fishing or on order This step would be administratively

As an alternative, Mr. Meek suggested that Mr. John Silkin, the Agriculture and Fisheries Minister, could make a statement warning the industry to be wary of bringing in new vessels without official approval. "It is high true that Govern-ment officials and industry representatives were putting together the framework for a licensing scheme." Mr. Meek said. The WFA, which already has considerable experience of

dealing with fishermen, would be the ideal body to administer the scheme, he added. Mr. Meck said overcapacity was the most immediate prob-Iem facing the UK fishing industry. But the question had been " largely overlooked " in view of the difficulties surrounding the negotiation of a new ECC Con-

mon Fisheries Policy.
Fleet expansion was being undertaken by the verack men who were confident that they could be profitable and many smaller traditional dishermen could be forced to the wall.

NZ offered cheese quota

BY CHRISTOPHER PARKES

involved in international trade talks in Geneva have been authorised to offer New Zealand access to the British market for between 7,000 and 8,000 tonnes of cheddar cheese a year.

New Zealand delegates at the talks, held under the auspices of the General Agreement on Tariffs and Trade, are asking to be allowed to send 20.000 tonnes annually.
Meanwhile. Mr. John Silkin.
UK Minister of Agriculture, has

written to British food and farming industry lobbyists telling them he intends to stand by New Zealand's claim to His letter was a

response to the Food and Drink Industries Council, the Milk Marketing Board and the National Farmers' Union, which Meat Producers' Board, came time of year, the statement had written to him asking for under fire for making "ill- added.

COMMON MARKET negotiators action to keep NZ cheese out advised and misleading "state-involved in international trade of the UK. ments about the condition of of the UK.

They argued that to allow imports would damage the On these "misunderstand-British cheese industry which is ings" the meat board had taken just beginning to recover from action to prop up prices by the difficulties caused by overcapacity in factories.

New Zealand cheddar was last imported into Britain in In the past year the belief has grown in the trade that access would eventually be

As a guid pro quo in the complex negotiations, the EEC is expected to be allowed to ship a similar amount of soft cheeses into the U.S.

chairman of the New Zealand

the British lamb market.

On these "misunderstandordering importers to hold imported lamb off the market. the Imported Meat Trade Association said yesterday. The action was short-sighted. the Association charged.

"The important thing now is between 10,000 and 15,000 creased UK consumption in tonnes.

Also the production of land lamb as a regular quality to move on from there," it said in a statement

The British trade was responinto the U.S.

Meanwhile, in London yesterday, Mr. Charles Hilgendorf, price reductions which in any adequate expert orders for the

Indian jute settlement will raise costs

By Our Own Correspondent

THE 49-DAY-OLD jute strikethe longest in the Indian industry's recent history-which has just been called off has cost the industry 185,000 tonnes of jute goods in production. The settlement with the work

kers will cost in a full year Rs 240m (£15m) which will raise the production cost by Mr. K. K. Kanoria, chairman of the Indian Jute Mills Asso-

item in high street shops and claion, has said that the Indian jute market will soon become uncompetitive unless it is subsidised by the Government.

case occur regularly around this time being as the Bangladesh time of year, the statement jute industry appears to be heavily overbooked.

CHICAGO, Feb. 27.;
Lard—Chicago loose 55 62 (23.93).
New York prime preum not available,
\$\$Maire—March 2564,236 (2363).
May 2465-2464 (2335). July 2534-253.
Sept. 256, Occ. 261-2609. March 268.
Shall Eggs—March 56.10 bid (54.53).
April 52.00 asted (20.93). May 50.40-50 95. June 50.20. Sapt 59.90.59.95.
Now ni, Dec 61 00 Sares 205.
Silver—March 709 0 (772.0). April 778.0-776 (777.0). June 788.0-787.d
Ang. 797.5, Oct. 805.5, Dec. 815.5.
Feb. 624.5. April 823.5. June 842.0.
Aug. 328.0, Oct. 861.5. Dec. 371.7, Feb. 830.5. April 890.0. June 899.5 nom.
Aug. 298.5

taken into account since South India which is close to the fact action were well the record of 1977. RITISH COMMODITY MARKETS

tance HAS won a major known. Barley futures prices tile in its campaign to cut actually fell slightly yesterday. "It had all the impact of a bestitutes in animal feeds. "It had all the impact of a feather duster." said a spokes-

The EEC cereals management man for the feed makers' asso-

it to stop all imports into the view of French antagonism some

One leading feed manufac- TEA PRODUCTION in India

mittee's decision to elimic ciation, UKASTA.
monetary compensatory Compounders

and to feet on the pre-market. Effort the exercises trend in the Mercett, short covering depends to the time of \$1,000 level and adopting the major that the price beak high \$1,000 in lone \$1,015 grad a clear on the late kerb of \$1,010 hours 35 7ch tonnes. FFER One at 1 transport -

989.5 -19.7 994.6 -7.5 1003.4 -27.2 1010.1 -8.5 989.5 -20 ----980.5 -23.5 987 9 ...7 995.5 6 -24.7 1001.2 -9 985 -24 87.05

Ambigamates Metal Trading reported in the moreous

ASE METALS

PPER—Lost further ground on the life to the covering at C1.000, torward metal to C2.000 on the premarket to the covering trend in the life covering trend to covering de-

Hird Grade L Toodkist — Cookiest — 7320-50 — 90 | 7300-40 — 60 | 7350-70 — 70 | 7230-50 — 85 | 7350 — 90 | 7350-50 — 85 | 7350 — 90 | 7350-50 — 85 | 7350 — 90 | 7350-50 — 85 | 7350 — 90 | 7350-50 — 85 | 7350 — 90 | 7350-50 — 85 | 7350 — 90 | 7350 — 90 | 7350-50 — 85 | 7350 — 90 | 7350-50 — 85 | 7350 — 90 | 7350-50 — 85 | 7350 — 90 | 7350 — 90 | 7350-50 — 85 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 | 7350 — 90 |

Morning: Standard, cash £7,290, 95, 300, three months £7,200, 230, 35, 40, kerb. Attendons: Standard, cash £7,200, three mouths £7,250, 60, 55, 30, 20 20

LEAD—Barely changed and moving in line with copper. Forward metal fell to crown 6500 on the early pre-market their cheroalter recovered modestly to close ut 6507 on the late kerb. Turn-LEAD Official — Unofficial —

Carls 536.5 -2.75 539.41 -.75 5 ments 503-5 -9 507.5-8 -.5 Stit ment 536.5 -10.5 42.4 ----Specific Country of the initial weakness cooper saw forward metal circum at 15.5 (10

Nov.-Dec. Rubber 67.9-68.5. Index Limited 01-351 3466. Lamont Road, London SW10 0HS. Tax-free trading on commodity futures. The commudity futures market for the smaller investor.

CORAL INDEX: Close 476-481

INSURANCE BASE RATES † Property Growth 12% 11.25% * Vanbrugh Guaranteel 11
1Address shown under Insurance and Property Bond Table

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ERSONAL

USE EXCHANGE. Art-billed 3 bed-burner in Welliteet. Cape Cod (100 Miss from Boston), perfect for writer. er, musician, etc., available for year from September '70 in ange for first or house in London. Sox 1085. Wellfleet, Muss.

CLUBS

EVE. 189. Regent Street, 754 0557. A la Carte or All-in Menu. Three Spectatular Floor Shows. 10.45, 12.45 and 1.45 and music of Johnny Hawkcaworth & Friends. GARGOYLE, 89. Down Street, London, W1.
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ZINC Official : — Unofficial —

Morning: Cosh £394, 93.5, three months £403, 2, 1, 1.5, 4, 3, 6, 6.5, 6, 5.5, Kerb: Three months £405, Afternaon: Three months £406, 7, 8, 9, Kerb: Three months £406, 8, 9, 8, 7,

ALUMINIUM—Firmer on balance. Forward metal disped to £730 in the morning, influenced by capper, but then recovered strongly to reach the day's high of £741 in the chemoon with ventiment helpod by a technical squeeze on nearby supplies. However, on the late kerb the price eased back to close at £739. Tumover 2.175 tonnes. Official +or p.m. t-for -756-7 4.5 740-2 +7.5 785-6 5.5 738-40 +3.5

Morning: Three months £733, 35, 34, 33, 34, 35, 37, 38, 36, Alternoon: Three months £739, 40, 41, 40, 38, 39, Kerb: Three months £741, 40, 38, 39, Cents per pound. # \$M per picul. In previous unofficial close.

SILVER

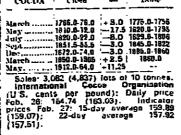
Silver was fixed 13.7p en ounce lower for spot delivery in the London bullion market yesterday at 370.6p. U.S. cent equivalents of the fixing levels were: spot 750.3c, down 24.8c; three-month 768.0c, down 26.0c; six-month 785.3c, down 25.1c; and 12-month 809.2c, down 26.0c. The metal opened at 376-378p (762-765c) and closed at 374-376p (752-765c) and closed at 374-376p (756-760c).

6ps. 370.6p -18.7 375.15p -2.15 3 mentiles 381p -14.3 385.65p -2.1 6 mentiles 390.5p -14.5 - ...

LME—Turnover 257 (273) lots of 10,000 ezs. Morning: Three months 30,002, 80.5, 80.6, 80.8, 81. 81.8, 82, 82.2, 2.1, 2.2.1, Kerbs: Three months 382.2, 82, 81.8, 81.9, 81.8, 81.5, 82. Atternoon: Three months 386.5, 86.4, 83.5, 6.4, 85.5, 85.6, 85.7, 86.8, 86.4, 6.3, 6.5, 87, 86.5, 88.2, 85.9, 86, 85.6

COCOA

Cocoa jutures traded within a narrow range throughout a leaturaless day to close marginally lower than lest night's lowels, report Gill and Duffus. Yesterday's + or Business Uses — Done COCOA .



SUGAR

LONDON DAILY PRICE (rew sugar): 1105.00 (1109.60) a tonne oil for feb.-March shipment. White sugar daily price was fixed at \$107.00 (\$108.50). Following the lower price obtained by the Dominican Republic at a fresh tender late yesterday, long liquidation developed which found only scattered cupport scale down so that by the

ZINC Slightly easier, reflecting the close losses of some 150 points had trend in other base-metals. Forward metal recovered from being 1399 on the early pre-market to close a shade down on balance at £407.5: Turnnver 11.225 tonnes.

per toune

March .. 110.00 199.50-10.00 104.60

May ... 106.40-05.50 110.70-10.50 111.80-06.40

Aug ... 112.60-12.70 114.60-14.65 114.40.70-66

Orz ... 115.25-16.35 117.10-17.15 117.60-15.20

Ive ... 113.10-14.30 118.50-13.50 120.00-18.50

May ... 125.00-28.45 127.55-97.20 Sales: 2.578 (4.563) lots of 59 tonnes. Tate and tyte ex-retinery price tor granulated basis white sugar was 1264.85 (same) a tonne for home trade and £171.50 (£176.00) for export. International Sugar Agreement (U.S. cents per pound fob and stowed Car.bbean port)—Price for Feb. 26. Daily 8.94 (8.81); 15-day average 8.29 (8.21).

After folling to fulfil early expectations Robusta coffee futures found possible producer-linked support as the morket fell back slightly in quiet conditions, reported Drexel Burnham Lambert. The afternoon was once against disappointing but activity picked up towards the close as a sharp rally pushed pricas higher to finish between £7 lower and £32 higher on the day.

Yesterday's

(OFFEE | Case + or Burnere Done · E per tonne.

RUBBER

STEADIER opening of the London physical market, Little interest throughout the day, closing on an easier note, lewis and Peat reported the Melaysian codown price was 259 (256) Cents a kilo (buyar, March).

Sales: 237 (545) lots of 15 tonnes and 13 at 5 tonnes. Physica: 6195/mg prices (buyers) were Spot 61/75/m (67/75); April 62/25p .51; May 63.5p (64.0).

GRAINS

The UK monetary conflicient for the week beginning March 5 (based on HGCA calculations) is expected to remain unchanged.

EEC IMPORT LEVIES—The following

levies and premiums are effective for Feb. 28 in order of current levy plus March, April and May premiums (with previous in bract ets), all in units of account per lonne. Common Wheat: 83.76, nil, nil, 7.15 (83.76, nil, nil, 6.89). Durum Wheet: 134.52, rest nil (134.52, rest nil). Rye: 86.07, rest nil (84.65, nil, nil, 7.91). Barley: 93.66, rest nil (93.86, rest nil). Maize (other than byted to resedingt: 78.12, nil, nil, 0.91 (78.12, nil, nil, 0.61). Buckwheet: 4.72, rest nil (3.73, rest nil). Miliet: 77.74 rest nil, Millet: 77.74 rest nil, 134.64 (81.33, nil, nil, 2.43). Flour Levies: Wheat or Mixed Wheat and Rye Flour: 128.90 (126.90). Rye Flour: 132.12 (130.42). LONDON FUTURES (GAFTA)—Grains opened 15 up on wheat old crops and 100 up on barley. Wheat intially traded at 2.2-25p nighter but trace sellers eased values back to close 36-25p down on the May option. Barley saw some buying intensi minely; but commercial sellers eased values in very thin trade to close 85p. New craps opened inchanged but came linder standt pressure and values eases values in yery thin trade to close 85p. New crops opened rinchanged but came linder shall pressure and values eved to close 65-80 down on whent and 20-60 lower on barley. Acti reported.

SOYABEAN MEAL The London market opened £1.30-£1.50 lower and continued to ease

(150 lower and continued to ease further as sell stops were evident, reported T G. Roddick. However, some support was found at these levels but this did not less long, as further stops were hit at close with lesses of 1.50-12.00. Epertonne

Sales: 164 (105) lots of 100 tonnes. **WOOL FUTURES**

LONDON GREASY (in order buyer, seller). Merch 228.0, 243.0; May 145.0, 257.0; July 247.0, 253.0; Oct. 247.0, 250.0; Dec 249.0, 257.0; March 245.0, 250.0; Mey 249.0, 250.0; March 249.0, 250.0; May 249.0, 250.0; July 249.0, 250.0; July 249.0, 250.0; July 250.0, 255.0; March 187.0, 255.0; March 187.0, 255.0; March 205.0, 214.9; Dec. 205.0, 211.0; Oct. 205.0, 214.9; Dec. 205.0, 217.0; March 205.0, 217.0; May 205.0, 217.0; March 205.0, 217.0; May 205.0, 217.0; March 205.0, 217.0; May 205.0, 217.0; July 250.0, 217.0; Sales mil. SYDNEY GREASY—Close (in order buyer, soller, business, saler). Micron Contract: March 435.0, 422.0, 430.0, 442.0, 126; May 436.0, 438.0, 449.0, 448.0, 237; July 420.0, 426.0, 421.0,

MEAT/VEGETABLES

GRAINS

IMPORTED—Wheat: CWRS No. 1, 137
per cent, unquoted, U.S. Derk
Northern Spring No. 2, 14 per cent,
Morth 93-75, met Mitch met Aouil
91.50, transhipment East Coast. U.S.
Hard Winter, 135-per cent, March
88.00, transhipment East Coast. U.S.
Hard Winter, 135-per cent, March
109, April 108.50, transhipment East Coast.
109,

PRICE CHANGES

in tonnes unless otherwise stated. Feb. 27 + or Month 1979 Metals Aluminium £710 £710 Free Mkt (85) \$1,475/55 \$1,270,59

-25.0 £6.972.5 -30.0 £6,907.5\$144.29 Wolfrm 12.84 crf \$ 139,46 Zinc cash £ 595.5 3 months £ 409 Producers ... \$ 800 \$120/25 -1.5 £564.6 Oils Coconut (Phil. 5990 :- 10 5990

Linseed Crude £413 —3.0 £565 Paim Malayan, 5699x —7.0 \$640 Seeds Copra Philip.... \$675, -5.0 \$680 Soyabean U.S.: \$810.55 -4.65.5287

Other commodities * Nominal. † New crop. ‡ Unquoted. p April-May r Feb.-March. s Merch. v Merch-April. v April. x Per ton. z Indicator. § Buyer.

Bloods 3,80-4,00: Israeli: Shamouti 4 50-5 10: Cypriot. 3 30-4,50: Moroccon: Hamilins 4,00-4,20: Egyption: Baladi 2,60-2 80: Jemarcan: 3,00: Sevilles—Spanish: Sours 2,20: Ciementines—Spanis: 4 (2)-6,00. Satsumes—Spanis: 3 00-320. Mandarins—Spanis: 3,50-4,20. Wilkings —Spania: 4,00-4,50. Grapefrun— Cyprior: 2,40-3,80: Israeli: Jatta 27:83

Cypnor: 2,40-3,80: Israeli: Jalia 27:88

English Produce: Potitoes—Per 23:7;
183:2-40. Lettuce—Per 12: round 2:00-2:20. Mushrooms—Per pound 0.60-0.85

Apples—Per pound Bramley 0.65-0.70.
Cox's Orange Pippin 0.07-0.06; Sportian 0:06-0.10; Lastons 0.05-0.07, Pears—Per pound Conference 0.11-0.16; Comice 0.20-0-3. Cabbages—Per net 2.30-2.50.
Beetroot—Per 28: ib 0.90-1.00. Carrots—Per 28: ib 0.80-1.40. Onions—Per 28: ib 0.80-1.40. Onions—Per 28: ib 1.20-2.40. Rhuberb—Per pound 0.22-0.23. Swedes—Per 28 ib 1.00. Turnips Per 28: ib 1.00-1.50. Persons—Per 28: ib 1.40-1.50. Sprouts—Per pound 0.08-0.14. Cucumbers—Fer pound 0.08-0.14. Cucumbers—Fray 12/18's 3.60-4.20.

AMERICAN MARKETS

NEW YORK, Fob. 27, 239 80 (346.87) aslad). Oct: 120,70 91.10 (88.90), May 31.90, July 92.25, Sept. 92.70, Dec. 91.80, Jan. 91.77, March 91.70, May 91.60, July 91.50, Sept. 91.40, Dec. 91.25, Ian. 91.20, "Gold—March 249.20 (245.70), April 251.20 (247.70), May 253.40, June 255.80, Aug. 250.40, Oct. 265.10, Dec. 269.80, Fob. 274.80, Oct. 265.10, Dec. 269.80, Fob. 274.80, April 279.40, June 269.30, Aug. 289.30, Oct. 124.30, Dec. 269.80, Fob. 274.80, April 279.40, June 269.30, Aug. 289.30, Oct. 124.30, Dec. 269.80, Fob. 274.80, April 279.40, June 269.30, Aug. 289.30, Oct. 124.30, Dec. 269.80, Fob. 274.80, April 279.40, June 27

283.30, Aug. 289.30, Oct. 294.30, Dec. 3406;2364 (2534). July 2533-253. Potatoes (round whites)—March 02.8-63.0 (62.0), April 63.5 (64.0), May 71.2-71.5, Nov. 57.5-58.0, March 66.4-66. Silver—March 75.00 (75.50), April 797.60, Sept. 806.70, Dec. 919.30, June 20.20, Sout 59.50-59.5, Silver—March 75.00 (75.50), April 797.60, Sept. 806.70, Dec. 919.30, June 20.20, Sout 59.50-59.5, Silver—March 775.00 (772.50), April 797.60, Sept. 806.70, Dec. 919.30, June 20.20, Sout 59.50-59.5, Silver—March 775.00 (773.0), April 797.60, Sept. 806.70, Dec. 919.30, June 20.20, Sout 59.50-59.5, Silver—March 775.00 (773.0), April 797.60, Sept. 806.70, Dec. 919.30, June 20.20, Sout 59.50-59.5, Silver—March 775.00 (773.0), April 797.60, Sept. 806.70, Dec. 919.50, June 20.20, April 823.5, June 82.00, April 820.0, June 899.5 norm. April 41.00, 412.00

Coffee—"C" Contract: March 125.75126.50 (127.351) May 125.75-126.00 (127.741) July 125.60-126.00, Dec. 126.50-126.00, Dec. 126.50-126.75, Salest 126.76-127.00, May 126.50-126.50, Dec. 196.50, Dec. 196.50, 197.50, Sopt. 26.60, July 241.50-241.00 (414.601) July 412.50-41.00 (4

Monday's closing prices

NEW YORK, Feb. 26.

Cotton—No. 2: March 63.70 (63.32).
May 65.80-65.95 (66.65). July 67.90
68.00, Oct. 66.85. Dec. 65.65. March 65.00, Oct. 66.85. Dec. 65.65. March 65.00, Oct. 66.85. Dec. 65.65. March 65.00. Seize: 5,650.
Orange Julice—March 107.15-107.20
(105.00). May 108.06-108.10 (106.60). July 109.10-109.20, Sept. 109.30. Nov. 106.70-106.80, Jan. 103.70, March 104.00, May 104.20-106.50, July 104.20

EUROPEAN MARKETS

Commodity market coverage in these columns is being extended to include French sugar, cocos, conce, soyabean meal and wool market classing prices. Mare US lutures markets will also be covered including silver, like cattle, hogs, eggs, pork belilies and plywood from Chicago and orange juice and potatoes from New York. ROTTERDAM, Feb. 27 ROTTERDAM, Feb. 27
Wheat—U.S. Northern Dark Hard
Winter, 13 5 per cent, mid-Feb. migMarch StG3. U.S. Hard Winter whent
ordinary not offered. U.S. No. 2 Fed
Winter wheat April S159. May S138
June S146. U.S. No. 2 Northern Spring
wheat, 14 per cent. Merch S174, April
S169. May S147-50.
Marze—U.S. No. 3 Yellow all. S102.
Feb. S121.75. Merch S121.50, April-June
S121. July-Sabit. S120. Oct.-Dec. S121.50
Rye—U.S. No. 2 Canadian Western
singuoted
Oute—U.S./Plate, Swedich Not-

woyan, 2 40 U.S., 1. Canadian feed all unquoted.
Sorghuma—U.S. Argentino aff. \$118, Feb \$119, Marca \$114, April-June \$110, March \$119, March \$119, March \$110, March \$110, March \$110, March \$10, Sept. \$200, Sept

INDICES

FINANCIAL TIMES Feb. 25 Feb. 25 M nth ago Year ago 268.07 270.27 261.61 225.22 (Basa: July 1, 1952=100) MOODY'S

Feb. 26 Feb. 25 Minth ago Year ago 1050.5 1055.9 1003.8 689.7 (December 31, 1921 -- 1°C)

DOW JONES Dow Feb. Feb. Month Year Jones 26 23 ago ago Spc: 384.62 385.57 377.05 350.45 Frure 353.26 384.75 371.62 350.75 (Average 1924-25-25 - 100)

REUTERS

Feb. 27 Feb. 26 M oth ago Year ago 1560.0 1562.2 1503.7 1384.9 (Bosa: Suptember 18, 1931 = 100)

FINANCIAL TIMES STOCK INDICES

industrial 479.6 468.8 467.0 459.2 456.9 460.5 443.4

Gold Mines Ex-5 pm: 119.2 120.9 124.0 124.0 123.0 123.0 128.0

5,91 6.05 6.08 6.17 Earnings, Yid & full: 15,45 15.80 15.80 16.11 16.19 16.10 12.02

quity bargains tetal - 17,480 18,578 15,443 16,550 16,978 18,60,

10 am 469.2 11 am 476.5 Noon 476.6 1 pm 377.4 2 pm 477.9 1 pm 478.6 2 pm 477.9 2 pm 478.6 12 pm 477.9 2 pm 478.6 10 Latest Index 61-245 6026 10 Latest Index 61-245 6026 10 Latest Index 61-25.6 Ex S premium video stated June 1972. 10 Activity July-Doc. 1942

P:E Ratio (net: (*)..... 8,39 8.20 8,16 8.34 8,00 5,05

69,94 68.05 67.00 60.93 66.31 66.28 74.21 69,90 68.23 67.95 67.58 67.22 66.85 72.61

6,146 5,523 5,451 5.404 6,057 4,782

98.16 124.42 63.52 87.00 \$2.99 \$0.06

Speculative. Totals.

6.20 6.16 6.08

S.E. ACTIVITY

Feb.

201,1 263,3 225,9 191,9 41,4 40,6 150,4 139,9

178.0 181.0 185.4 101.6 150.5 178.6 188.8

iз

9 to 1035.

Oils improve

Boom conditions prevail as Government stocks rise £3 and equity share index advances 10.8 to 479.6

Dealings tions Dealings Day. day's SE conver Feb. 12 Feb. 22 Feb. 23 Mar. 6 0.5699 (0.3581). Feb. 26 Mar. 8 Mar. 9 Mar. 20

other industrialised countries 302 and GEC with 211. attracted further widespread foreign investment to the Giltedged yesterday. This in turn interest for a broad list of equities which, after a slightly hesitant opening, responded renewed huying sharply and markets as a whole presented all-round boom condi-

dented performance of the two new Government scrips since last friday's debut, the enthusiasm of domestic and foreign buyers for Gills impinged on a market acutely short of stock following the recent heavy off-take. Accordyesterday's upsurge in quotations was quite dramatic and extended to over three points despite brief reactionary spelis during the day.

10 the results, NatWest eased to lifted MFI Farniture 14 to 250p and extended to over three points despite brief reactionary spelis during the day.

10 the results, NatWest eased to lifted MFI Farniture 14 to 250p and Status Discount were finish a net 17 better at 327p; prominent at 270p, up 11.

11 the Warrants gained 8 to 125p.

12 Trading in the Electrical sector during the day.

The long Treasury 13? per cent 2000-03 stock jumped 2; points to £21, which represents a premium of 6? on last week's issue price of £15, while the shortmedium issue Exchequer 13! per cent 1987 spurted 23 to £203. High-coupon longs settled with gains ranging to 31 points, while the shorts showed rises of over :. 2 points and the FT Government Securities index advanced 1.89 to 69.94 for a gain of 8.2 per cent on its 1978-79 low recorded 13 business days ago.

All sectors of equities benefited from revived institutional support. Some particularly good business was transacted in leading shares including Glaxo, up 23 3, at 515p, and GEC, 9 higher at 246p, both following brokers' recommendations. Gains otherbiggest single-day rise for over three months with a gain of 10.8 to 479.6, were rarely more than

Secondary industrials s went ahead impressively and the increased volume of overail trade was reflected in official markings : of 6,606 against last week's daily average of 5,316; a month ago the average was under 4,000.

Investment currency market opened firm and, in a reasonable two-way business, the while news that Ferguson Indus. to 56p. premium rose to 93 per cent.

Option premium eased to close at 91. Line 4 to 134p.

*First Declara- Last Account per cent for a fall of 1. Yesterday's SE conversion factor was

For the second day in succes-Mar. 12 Mar. 22 Mar. 23 Apr. 3 sion, the Traded options market "New time" dealings may take attained a record number of con-place from 9.30 am two business days tracts with 1.865 deals being recorded against Monday's 1,610. Backed by the recent relative A high level of activity was again strength of sterling, yields on seen in Grand Metropolitan which Government stocks still well in attracted 336 trades, while other excess of the levels ruling in active issues included ICI with

News that Comer Radiovision had increased its stake in the to 24.5 рет company prompted increased speculative interest in Caledonian Holdings which advanced 10 to 141p; Comet's cash and shares offer, worth around 150p to counter London and Midiand Industrial's bid worth 132p, was announced Encouraged by the unprece- well after the close of the market.

NatWest jump

The major clearing banks remained in buoyant mood with ofter 126p. Midland, which con-clude the dividend season on March 9, rose 10 to 388p. Else-where, higher preliminary profits and a proposed 50 per cent scrip-issue helped Hong Kong and Shanghai advance 17 to 296p. after 300p. but, in complete contrast, Grindlays ended 7 lower at 126p on disappointment with the results.

A better-than-expected result heiped Commercial Union put on 5 to 154p, after 155p, while General Accident rose 10 to 212p in front of today's preliminary statement. Royals, with results due tomorrow. added a similar amount to 360p. Hambro Life improved 15 to 420p in a thin market and Brentnall Beard appreciated 4 to 38p.

A combination of brisk demand issues. A couple of pence firmer In strong Timbers, Montague L. and Southerns 8 to 158p. Else-where, BPB moved up 12 to 246p,

Early interest resulted in gain of 7 to 389p in ICI, while Fisons, annual results next Monday, railied 12 to 315p. Among other Chemicals, Brent, in a thin market, added 13 to 238p, while gains of around 7 were marked against Leigh Interests, 130p. Plysu, 139p, and Stewart Plastics, 178p. On the other hand, the Monopolies Commission reference of Merck Incorporated 385p per share cash bid prompted further weakness in Alginate which slipped 10 for a two-day

fall of 84 to 290p. Stores came in for considerable support and generally closed at the day's best. Still reflecting a Press prediction that the fortneoming interim statement wil reveal first-half profits of around £10m. Burton A and Ordinary jumped 12 apiece to 283p and 255p respectively and the Warrants advanced 13 more to 90p. Gussies A put on 8 to 322p and British Home improved NatWest reporting much better 6 to 184p, while Combined than-expected annual profits; English added 5 to 118p, after touching 328p in response Renewed investment support

> Trading in the Electrical sector was again brisk. Encouraged by a broker's investment recommendation, GEC were a particularly lively market in the leaders and closed 9 to the good at 346p. Demand persisted for many of the secondary favourites where gains were often accentuated by stock shortage. United Scientific were prominent at 282p, up 18. Rises of around 8 were recorded in MK Electric, 210p. Telephone Rentals, 160p, and Berec, 125p. Racal were actively traded at

Leading Engineers, a rather neglected market of late, saw some useful buying interest. Assisted by news that discussions are at an advanced stage for the acquisition of Crawford Russell, private, company based in the U.S., John Brown were in wise in constituents of the FT and stock shortage prompted renewed demand and put on 12 30-share index, which staged its several notable gains in Building further to 424p. Buyers also showed interest in Guest Keen. ? for most of the session. Blue to the good at 237p, and Vickers, Circle ended 15 up at 272p in a which improved 4 to 178p. late spurt, while steady demand. Interest in secondary issues lifted RMC 7 to 147p. Recently broadened considerably and lethargic Costain issues picked gains were fairly widespread. up, the ordinary adding 10 to Braithwaite, a poor market 166p and the deferred 5 to 121p. recently, recovered 9 to 97p. In strong Timbers, Montagne L. while similar rises were recorded Meyer put on 4 to 93p, International 6 to 123p, and Magnet 202p. Metalrax responded to the 202p. Metairax responded to the good results and a proposed onefor-ten scrip issue with a rise of 3

up 14, while Rowniree Mackintosh added 13 to 3889. Certain all rising around 5. Saatchi and secondary issues displayed use-William following the chairman's cheerful ful improvements; William following the chair Morrison moved up 9 to 109p, annual statement, while Cartiers and George The possibility of Bassett added S apiece to 1229 and 126p respectively.

Outstanding upward movements in Hotels and Caterers included Grand Metropolitan, 51 to the good at 129 p. Trust Houses Forte, 10 higher at 270p. and Ladbroke 6 up at 190p.

Glaxo rise

After a hesitant start, miscellaneous industrial leaders rose sharply in sympathy with the fresh upsurge in gilt-edge securities. Demand was fairly persistent and with stock in short supply, double-figure gains were commonplace. Additionally helped by a proker's circular. Glaxo ended 23 to the good at 515p, while Unilever rose 20 to 582p ahead of next Tuesday's annual results. Reckitt and Colman added 15 to 487p and Beecham rose 10 to 6435 as did Pilkington to 297. Rank Organisation improved 5 to 253p and the new nil-paid appreciated 6 more to 32p premium. A nervous market of late, Booker McCoonel rallied 14 to 272p despite a Press suggestion that the forthcoming results will be poor. Investment buying lifted ICL 14 to 494p. De La Rue 10 to 370p and Ricardo 23 to 335p. Fresh specu-lative buying helped Jacksons Bourne End put on 8 more to 148p, while Glass and Metal added 7 to 130p on hopes that further news regarding the bid company.

Shippin ments of around 6 were recorded in Brown Boveri Kent, 53p. Huntleigh, 79p. Valor. 66p. and European Ferries. 138 p. European

Sothebys, on the other hand, cheapened 5 more to 373p. In the Leisure sector. Coral firmed 6 to 119p and Saga 9 to 204p, but further consideration the interim results left Campari 5 off at 97p, after 94p. The managing director's bid denial clipped a couple of pence from Pleasurama at 116p.

Distributors again captured the limelight among Motor sectors, although some rises were evacarbated by shortage of stock. Heron remained firm, adding 11 to 124n, while Tate of Leeds rose 6 to SSp. Appleyard, SSp, Harold Perry, 126p. Lookers, 65p and Lex Service, 87p. all firmed between 3 and 5.

Loading Newspapers remained firm. Associated advanced 4 to 194p, while Pearson Longman premium rose to 93 per cent. trial Holdings had built up an Foods took useful improve- closed 8 better at 222p. Else- Racal Electronics With dollars around from arbi- 8.7 per cent stake in the company ments a stage further in late where, poster advertising issues. Tate & Lyle

trage sources, however, the lifted Breedon and Cloud Hill dealings. In the leaders, Asso- were firm with London and Cawdaw were also wanted and premium eased to close at 91% Lime 4 to 134p.

| Caudaw were also wanted and ciated Dairies stood out, at 220p. Provincial, 192p. More O'Ferrell. put on 3 to a 1978/79 peak of per cent for a fall of 1. Yester| Farly interest resulted in a 1978/79 peak of 1978/79 peak Saatchi rose 9 to close at 166p

to 105p and the Capital shares

a lively trade developing throughout the sector. British

Petroleum edged higher to close

at an all-time peak of £10, white buyers pushed Shell up 12 to

6560 Among the more specula-

stood out with a rise of 7 at

229p while in Income issues. Derby advanced 6 to 211p.

Dealines in Fitzroy Investments

were temporarily suspended at

20p at the request of the

energy assets.

Stock

Barclays Bank ...

GEC ... Unilever

Beecham

LONDON TRADED OPTIONS

Sheli Transpor. ... 25p

European Ferries 25p

Racal Electronics 25p

Grand Met. 50p 12 Rank Org. 'New' ... Nil/pd. 12

Shippings took part in the

Denomina- of

closed 11 better at 320p, and the Deferred 8 up at 296p while Imps rose 3 to E9p. The possibility of an early cut in minimum lending rate encouraged frosh demand for Property issues where MEPC

Gulbrie continued to benefit Bernard Sunley gained 12 to of 42 to 485p. 296p. while British Land Golds fall hardened 2 to 56.5. English Golds fall

Golds fall afresh

hardened 2 to 56.0. English Property put on 1, to 61.0, after South African Golds came 62p, on hopes of another bid from Wereldhave to counter Olympia and York Developments latest 60p cash offer. Elsewhere, brisk support lifted Apex 11 to 103p and London and Provincial Shop 9 to 167p. Centrovincial issues also claimed a fair amount of attention, the ordinary rising afternoon when heavweight issues such as Hartebeest, £15, Ois came to life with quite were left showing falls ranging

De Beers again held the limelight in South African Financials as renewed American buying in anticipation of the 1978 results, due on March 6, saw the shares tive issues, interest revived in surge a further 12 to 482p for a Siebens (UK) which advanced two-day gain of 22. Anglo Ameri-Fresh demand was forth-coming for Trusts. Among the numerous gains. Rothschild stood out with a rise of

general improvement. P and O deferred at 77.p. regained I

of the previous day's fall of 5 which followed reports that the company may sell some of its Institutional demand lifted tion and sales caused a fal Courtaulds 3 to 1112, while to 158p in Hampton Areas.

Closing Change 1978-79 1978-79

726 143

ACTIVE STOCKS

tion marks price (p) on day

Professional support Tobaccos higher; Bats Ordinary

from speculation about an increased offer from Sime Darby added another 4 to 180p and and rose 12 for a two-day gain

under sustained selling pressure throughout the day reflecting the sharp decline in the bullion price to \$245.70 in overnight U.S. markets, although the latter rallied in London to close 50 cents down at \$247.625 per ounce. Share prices were marked down at the outset but selling pressure built up towards midday and lasted for most of the

with De Beers.
Elsewhere in South African Financials. "Amegal" advanced 45 to a high of 875p following persistent and heavy Cape

buying.
A downturn in overnight
Sydney and Melbourne markets
prompted minor falls in Australians with the exception of Western Mining and Thiess Holdings which ended with modest

Adverse Press comment on the sale of its royalties from Western Mining's nickel production and sales caused a fall of 6

OPTIONS

DEALING DATES Last Last For Deal- Declara- Settleings lugs tion ment Feb. 20 Mar. 3 May 17 May 30 Mar. 6 Mar. 19 May 31 Jue. 12 Mar. 20 Apr. 2 Juc. 14 Jue. 26

Fixed Interest......

Desilnes marked... 6,606

Equity turnover 2m. -

HIGHS AND LOWS

Govt Secs..; 78.58 64.64 127.4 49.18

Fixed Int... 81.97 65.77 150.4 50.53 (8:1.78) (12.279).28 (1.47) (3.1.75:

Gold Mines 208.6 124.1 442.3 43.5 (16.8/78) (22.11/78) (22.5/75) (28.18/7)

Gold Mines 132,3 90,5 357,1 84,3 (Ex-8 pm)... (14.8 79) (19.4.78: 124.74) (25.4.76)

1978:9 Since Compilat a

Low High : Low

555.5 453.4 549.2 48.4 (148.78; (24.78) (14.8.17) (18.6.48)

Gold Mines.....

very active with calls in Ultra- Manis. Puts were dealt in mar, Spillers, Tricentrol, Bur- Pleasurama and Raeal, and mah, Premier Oil, Town and doubles to be arranged included City, P & O. Law Land, Prince of Wales Hotels, KCA, Lonrho, Christopher Moran.

Status Discount, William Press, Cons. Gold, Averys. Woodhouse and Rixson, Bentime, M. F. North, Britannia Arrow, Reo Stakis, Bambers, ESI, John Folkes Helo NV. Associated For rate indications see end of Shore Information Service and New Town. Corah, UDT.

The option market was again Lucas. Burton Warrants and British Land, Premier and

NEW HIGHS AND LOWS FOR 1978/9

The following securities agested in the Share information Service vestords accurate mear Highs and Lows for 1978-76 NEW HIGHS (254) CANADIANS (1)
BANKS (9) BEERS (6) BUILDINGS (15) CHEMICALS (5)

DRAPERY & STORES (18) FLECTRICALS (17)

RISES AND FALLS NEWSPAPERS (1) PAPER & PRINTING (3) PERTY (55)

YESTERDAY 1.330 42 926

GVERSEAS TRADERS (AT

TEAL (6)

NEW LOWS (2)

COMMONYLINE & APRICATO LOANS (T) Store Reposed 2::20 65-70

APPOINTMENTS

Two new Board posts at RHM

E. Anderson, directors of ALBRIGHT & WILSON become, from tomorrow deputy manage been appointed controller of ing director-finance and administration and deputy managing TER OF SHIPPING from May I director-operations, respectively.

Mr. John Dobson, an executive with Petrofins UK. is to be the next vice-chairman of the GREATER LONDON COUNCIL. He has been a member for the past nine years, and represents Ealing, Acton. His election will take place on May 15.

Mr. L. Rollett has been appointed a director of CLAY-TON DEWANDRE HOLDINGS. Mr. J. W. Kinchin, Mr. B. G. L. Jackman and Mr G. H. Shingleton have resigned from the Board. The company was taken over by American Standard (UK) in 1977.

Mr. Edward W. Carter has been elected a director of LOCKHEED CORPORATION. He is chairman of Carter Hawley Hale Stores and a director of other companies.

Mr. Oliver R. R. de Baer has joined INTERNATIONAL MEXICAN BANK as a general manager.

Mr. J. A. Arnold has been appointed director of finance and administration for TENNANT TRADING for TENI

Mr. David A. Gemmell, controller (international) at head office, has been appointed senior manager of the international division, London office, of the ROYAL BANK OF SCOTLAND.

Lord Poole has decided to give up his directorship of S. PEARSON AND SON from

Mr. Rupert N. Hambro, executive director of Hambros Bank, has been appointed to the Board of DINERS CLUB, the inter-national credit card company jointly owned by Diners Club Incorporated and National Westminster Bank

BANRO CONSOLIDATED INof its subsidiaries: Mr. Terry R. company.
Newman, sales director, and Mr. Denis G. Blagden, technical director of William Bate; Mr. Arthur C. Louls, works director, Edward Rose (Birmingham); and Mr. Neil MANUFACTURING COMPANY Rose (Birmingham); and Mr. Neil

Mr. R. F. Lister and Mr. S. G.

Metcalfe have been appointed his existing responsibilities directors of RANKS HOVIS MCDOUGALL. They will continue to be responsible for the company's bakery and cereals divisions, respectively. Mr. B. B. Mill has retired as company secretary and is succeeded by Mr. G. A. Garnett.

Mr. K. A. Ward and Mr. C. A.

Mr. K. A. Ward and Mr. C. A.

PORT SERVICES. He retains operating subsidiary, H and his existing responsibilities within the group. Mr. G. B.

Whitehead becomes director. accordance with Dana's general policy for wholly-owned subsidiaries, the non-executive for Ferrymasters and also the marketing, personnel, property now consists of Mr. R. B. and insurance within P & O

Mr. K. A. Ward and Mr. C. A.

European Transport Services.

Dumbell (chairman and managing director), Mr. J. C. B. European Transport Services.

Mr. G. A. Witherspoon has to succeed Mr. E. W. Venner, who is retiring.

Mr. N. J. Kingston has been appointed director and secretary of the INDEPENDENT TANK STORAGE ASSOCIATION.

formed in November 1977 by the principal British-based

Mr. N. J. Kingston independent bulk liquid storage companies. Mr. Kingston, a member of the Institute of Petroleum, joined PD Oil & Chemical Storage, a Powell Duffryn company, in 1970.

Mr. Anthony P. Brayford, development manager, Mr. operations manager of S AND A GEOPHYSICAL, has been manager and Mr. Hunter Peace, appointed to the Board. project manager, Europe, have been appointed directors of

Mr. W. B. J. Miller, at present managing director of Bass Southamoton, is to succeed Mr. M. E. Harding as commercial director of BASS MITCHELLS national, where he was group BANRO CONSOLIDATED IN-DUSTRIES has made the follow-ing appointments on the Boards personal interests outside the

W. Owen, works director, Edward has taken place. Turner and its Rose (Telford). subsidiary Earby Light Engineers appointed to the new position tion has been made for the a director of ALLIANCE of director, road services, registration of the trading name MANAGEMENT CONSUL-P & O EUROPEAN TRANS- Turner-Dana. The other TANTS.

Dumbell (chairman and managing director), Mr. J. C. B. Day (marketing and sales), Mr. D. W. Evans (industrial relations), Mr. P. J. Horrell (finance), Mr. W. M. M. Morrison (engineering, research and development), Mr. T. Wollam (concert manager transmissions) (general manager, transmissions division), Mr. A. J. Caddick (controller and deputy general manager, transmissions division) and Mr. A. A. Martin (president, Dana-Europe). Mr. C. F. Dumbell has been appointed director of international operations, Dana-Europe. Mr. C. G. Drummer (director of planning, Dana-Europe. Mr. C. G. Dummer of H and P-Baelz, and Mr. R. A. Joseph continues as managing

Mr. Colin Maclean has been appointed publishing director of ABERDEEN UNIVERSITY

Professor Giannino Parravicini has become chairman of BANCO DI SICILIA to succeed Dr. Ciro Martino, who has been elected honorary chairman.

Mr. R. C. Kemp has been appointed manufacturing director and Mr. A. S. Marshall has become sales and commercial director of E. JOPLING AND SONS, part of the Weir Group's foundries director. foundries division.

Mr. K. S. Parsons will join INTERNATIONAL COMMER-CIAL BANK as a general manager from tomorrow. He is at present a senior executive with Midland Bank international division.

L. A. Glendinning,

Mr. Clifford J. M. Fairley Brixton Estate Deutschland has been appointed a GmbH and Brixton Estate vice-president of MANUFACTUR-Hochdahl GmbH, the property RERS HANOVER TRUST. Mr. development subsidiaries of John F. Kemp has become BRIXTON ESTATE in Germany.

* general manager of Manufacturers Hanover Export Finance.

Spence as a non-executive

will form part of Dana's partner of Export Marketors Drive-train Division and applica-

·								
Option	Exircise (Closing Offer	Vol.	Closing offer	Vol.	Closing offer	Voi.	Equity close
BP BP Gom. Union Cons Gold Cons Gold Cons Gold Cons Gold Constaulds Courtaulds Courtaulds GEC GEC GEC	950 1000 140 160 180 200 220 100 110 120 280 300 350	73 73 53 26 81 ₂	1 47 21 55 51 10 20 5 11 29 150	100 56 21 8 33 21 10::- 9 5 43 25	2 - a 35 13 6 48 8 8 46 - 15	124 92 24 12 42 28 16: 17: 74 55	5 - 19 - 3 1 - 1	1004p 154p 207p 111p
Grand Mot. Grand Met. Grand Met. ICI ICI ICI ICI ICI ICI ICI ICI ICI IC	100 110 120 133 350 360 390 430 220 240 260 280	66 36 11 512 59 40	35 87 38 25 171 32 10	33:2 25:2 16:2 10 77 47 25 11:2 64 29 16:2	135 34 25 25 25 4	36 26 19 13 82 54 32 - - 53 38 25	10 5	129p
Marks & Sp Marks & Sp Marks & Sp Marks & Sp Shell Shell Totals	10 80 90 100 500 600 650	21 1111 412 162 62 24	25 14 3 2 39 975	22 14 7!2 87 51	3 1 50 - - 10 463 ust	18 101 ₂ — 98 67	1 48	69p " 664p
Boots Boots Boots Boots Boots Boots EMI EMI ImperialGp ImperialGp RTZ RTZ RTZ Totals	220 240 260 120 140 160	141 ₂ 51 ₃ 11 ₂ 25 11 4 11 41 ₂ 82	25 25 5 6 11	29 12 14 14 6:2 85 15 14 14 15 15 15 15 14 15 15 15 15 15 15 15 15 15 15 15 15 15	5 	40 28 21 21 141 ₂ 8 46 58	1 - 1 - 1 - 34 - 1 - 34 - 34	201p

RECENT ISSUES

EQUITIES										
Issue of the High Low	Closing Prios	+_er	Div. P. Or Amount	Covered Gross	4. H					
65 F.P. 20/2 141 68 Caledonian Hidgs F.P. 16/2 150 118 Hunting Assoc, Defd. F.P. 9/2 41 51 M. Y. Dart Defd 9544 F.P. - 102 97 Sadgwick F.New 10p	. 150 . 41	+18 +5 +2 +3	-	1.6 8. 2.1, 7.						
FIXED INTEREST S	TO	CK	S							

28 5 85 1978/79

Price	1	High Lov	Stock	92 20 20 20 20 20 20 20 20 20 20 20 20 20	-
100p F.P 98 £10	23/2 28/12	55p 53 100 gp 98 10 9	p Assoc. Dairies 934% Pref	58p. 100p 10 107p	
		"RIG	HTS" OFFERS		

turers Hanover Export Finance.	lasue Priçe	5	Renunç.	1978/9	-! Stock	- 5 5 E	4 or
Mr. Eric T. Yarwood has joined	p‡	독	o E	High : Low		ᅗᆇ	<u></u>
Glynwed as group industrial rela- tions adviser from GEI Inter-		F.P.	9/823/3		Baker PerkinsBank of Nova Scotia		
national, where he was group	60 220	Nii F.P.			Hasiemere Estates		+ 12 + 2
personnel manager.	60 67	NII -	7/320/4	154pm 712pm	Hawkins & Tipson Macpherson (D)	15 pm	
Mr. J. B. H. Dinan has joined	58 225	F.P. Nil	26/226/3	34pm ?pn	Montfort	. 32pm	
the Board of STRONG AND FISHER (HOLDINGS) as com-	10	NII F.P.	22:125:2	18 144	Sekers IntiDefd	. 18	+ 12
mercial director, and Mr. C. J.	18 315	F.P. NII	14/214/3	2634 23 87pm 28pm	Swan Ryan Intl.	, 34pm	+4

Renunciation data usually last day for dealing tree of stamp duty. b Figures based on prospectus esumate. E Assumed dividend and yield, a Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prespectus or other official estimates for 1879. 4 Gross. T Figures assumed. Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. 5 Placing price to public. Pt Penca unless otherwise indicated. I saused by tender. T Offered to holders of ordinary shares as a "rights." I saused by way of capitalisation. 55 Reintroduced. TI issued in connection with reorganisation, manger or take-over. FT introduced. 1 Issued to former profesence holders. B Alloment letters for fully-paid). P Provisional or partly-paid allotment letters. * With warrants. 11 Unitsted security.

FT-ACTUARIES SHARE INDICES

SHIPPING (3)

SHOES (S)

YEXTERS (2)

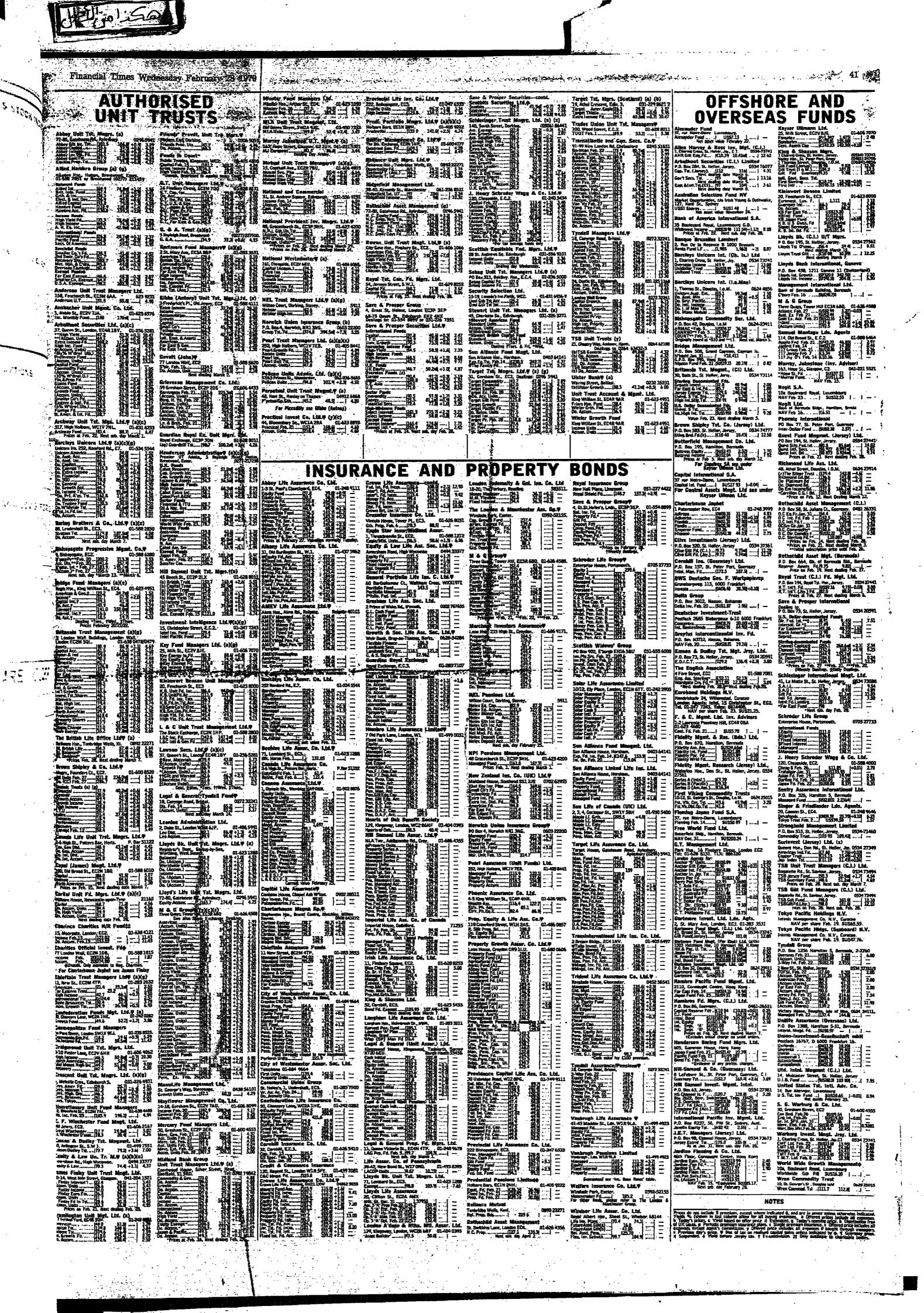
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

-	EQUITY GROUPS	Ti	res., I	eb. 2	7, 197	9	Man. Feb. 26	Fri, Feb. 23	Thur., Feb. 22	Wed., Feb. 21	Jenes 130 jens
& SUB-SECTIONS Figures in parentheses show number of stocks per section		}pdex Ro.	Day's Change	Est Extrings Yield % (Max.)	Gross Dir. Yield % (ACT at 33%)	Est. P E Ratio (Net)	indez Na	indez No.	index ila	inter.	index No.
1	CAPITAL 60005 (172)	237.59	+2.5	17.06	5.59	8.00	231.78	229.38		224.35	142 13
ΙŽ	Building Materials (28)	212.76	+3.5	18.02	6.17	7.64	285.62	202.35		192.92	290.78
3	Contracting, Construction (28)		+2.7	23.60	5.72	6.52	344.83 558.57	342.87 554.11	348.59 540.39	542.12	435.42
4	Electricals (15)		+2.6	13,45	3.31	10.18 7.35	355.34	348.99	347.35	347	275.51
5	Engineering Contractors (12)		+3.0	18.40 18.51	6.18	7.20	177.24	176.04		174.19	112.11
6	Mechanical Engineering(73)		+1.6	17.18	8.87	8.10	158.96	157.05		155.74	158.55
8	Metals and Metal Forming(16)	162.07	+2.0	17,10	0.01	0.10		}		1	
{ :	CONSUMER GOODS	217.67	+2.0	16.22	4.98	8.24	213.35	21030	207.77	257.30	171.56
11 12	(BURABLE)(53)		+2.5	13.18	3.64	10.63	288.31	275.95		272.14	213.79
1 13	Household Goods (12)	160.62	+0.8	18.47	7.27	7.48	159.34	158.29		158.M	112.14
14	Motors and Distributors (25)		+14	21.81	7.17	5.76	114.36	115.16	1	113 48	196.33
14	CONSUMER GOODS	-11.70	1						-	'	1.
21	(NON-DURABLE) (170)	219.27	+2.6	15.94	5.93	8.25	233.80	211.62	289.41	209.16	180,85
22	Breweries (14)		+1.8	16.40	6.46	7.74	223,72	727.02	225,09	224.12	205.46
23	Wines and Spirits (6)		+13	14.95	4.80	9.82	386.58	303.28		297.54	234 B4
24	Entertainment, Catering (17)	294.58	+3.4	14.89	6.43	8.87	284,96	283.51			Z25.28
25	Food Manufacturing (19)	207.81	+3.4	18,08	5.35	7.37	201,04	199.18		197.68	176.49
26	Food Retailing (15)	250.71	+4.2	12.87	- 4.70	10.57	240.56	237.78		237.95	189.22
32	Newspapers, Publishing (12)	390.21	+1.4	,23.01	-6.27	6.75	384.59	379.93		382.12	294.59
33	Packaging and Paper (15)	138.04	+14	18.34	7.63	7,12,	151,12	134.24		134.01	126.74
34	Stores (40)	203.02	+2:1	12.06	4.69	11.87	198.86	196.01		1933	166.79
35	Textiles(23)	175.84	+1.5	18.42	8.65	7.03	172.79	272.21 246.85	169.80	169.85 243.89	225.69
36	Tobaccos (3)	257.51	+3.5	22.13	7.99	519	248.83	98.94		98.48	94.12
37	Toys and Games (6)	93.28	+2.6	23.79	6.97	4.96 8.57	91.81 205.92	200.26		195.77	175.35
41	OTHER GROUPS (99)	204.72	+1.7	15.02	6.17	8.64	230.70	294.09		281.72	240.35
42	Chemicals (18)	295.49	+1.6 +2.5	14.99	6.60 4.62	10.98	245.68	294.58		240.41	235.66
43	Pharmaceutical Products (7)		+23	14.87	5.98	8.48	133.04	127 13		125.51	120 88
44 45	Office Equipment (6)		+2.0	14.45	7.26	8.78	410.35	415.10		406.38	422.01
45	Miscellaneous (58)	220.15	+1.7	17.67	6.54	7.46	216.57	214.10	212.45	. 212.48	181.32
49	INDUSTRIAL GROUP(494)	227.27	+23	16.02	5.83	8.26	222.07	220,12	217.27	216.84	188 55
計	Oils(6)	572.84	+1.4	12.19	3.51	8.92	564.75	563.34	556.47	556.74	451.42
芸			+2.2	15.38	5.45	8.36	250.10	248.17	244.98	244.68	208 89
61	500 SHARE INDEX		+23		5.42		177.49	175.35	172.10	171.23	156.23
62	Banks(6)	222.67	+2.7	25.28	5.29	5.35	216 80	214.69	206.65	204 86	175.09
63	Discount Houses (10)		+40		7,82	. – .	225.71	225.30		223.46	190.21
64	Hire Purchase (5)		+3.0	18.54	5.19	6.61	164.73	160.41		158 42	141.39
65	Insurance (Life) (70)	133.11	+3.0	l —	7.06	- -	129.25	129.95		128.36	130.85
66	Insurance (Composite) (7)	125.90	+3.0		6.96		122.22	120,14		118.04	122.66 318.60
67	Lectivatore Reference (10)	: 5 07.87.	+13	16.16	6.25	8.87	303.81	299.00 78.47	299.94 77.85	301_99 77.82	71.23
68	Merchant Banks (14)	81.02	+1.5		6,19	46.50	79.88 305.91	78.47 303.66	300.72	294.78	227.11
69	Property (43)	310,14	+14	3.45	2.62	46.42 6.43	115.63	113.53	112.75	112.44	100 99
70	Miscellaneous (10)	110.75	+1.0	19.35	6.75	1.40		207.88	207.25	207.66	178.02
71	Investment Trusts (111)	211.43	+14	1	5.12 5.72	- = .	208.43 124.89	124.67	124.23	123.64	86.88
81			-0.3	15.09	7.28	8.16 8.78	331.89	328.87		326.02	263.87
91	Overseas Traders (20)	250.64	+17	14,46						225.65	
99	ALL-SHARE INDEX (750)	j 23 5,76	+2.1	i - .	5.47		220.90	427.63	احمعين	1 47202	ורמדן
		 -		- ,)	- 		., .
	•	•		1	FIX	CED INT	EREST	- 1	·Tues.	Mon.,	rear
ļ	FIXED INTEREST PRICE	INDICES		[YIELDS			ļ.,	Feb.	Feb.	440
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	FIXED INTEREST PRICE INDICES						FIXED INTEREST YIELDS Br. Gort. Ar. Gress Red.			Mon., Feb. 26	tear alto (apprax.)
-	British Government	Tues., Feb.	Day's	szi adj. today	nd adj. 1579 to date	1 2 3	Low Compons	5 years 15 years 25 years	9.57 11.27 12.04	10.00 11.70 12.45	7.84 - 10.14 - 10.60
1 2	Under 5 years	104,49	+1.25	-	1,28	5	Medium Coupons	5 wars 15 wars 25 wars	12.00 12.68 12.73	12.48 13.12 13.14	9 92 11 16 11 32
.3	Over 15 years	116.63	+3.04	-	2.09	7 8 9	High . Coupons	5 years 15 years 25 years	12.34 13.19 13.25	12.97 13.65 13.64	10.57 12.08 12.17
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		Tues., Feb. 27 Index : Yield No. "	Mon. Feb. 26	Fri. Feb. 25	Thur. Feb. 22	Wed. Fob.	Fues.	Mon. Feb.	#1: Peb. 16	fear age appres
16	20-yr. Red. Deb & Loans (15) Investment Trust Prefs. (15) Coml. and Indi. Prefs. (20)	49,25 14,26	49,25	48,85	48,68	48,68	48.73	48.31 T	48,19	57,01

† Redemption yield. Highs and lows record, base dates and turdey issues. A list of the constituents is available from the man Street, London, EC4P 4BY, price 13p. by post 22p.



Financial Temes Wedne-day February 28 1979

FOOD, GROCERIES Cont.

Financial Times Wednesday February 28 1979 International Financier | Brit. | Ind. & Gen | Brit. | Ind. | 148 | +9 | 148 | +9 | 148 | +9 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | +1 | 148 | | 110 | 121 | 122 | 123 | 123 | 123 | 124 | 123 | 124 | 123 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 favour? *5141158 | 1555 | 1545 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | 1555 | Comparable | Com AUSTRALIAN **OILS** Acmet
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125 | 75 | Free State Dev. 50c | 5202 | 12112 | F.S. Gedarld 50c | 121 | 122 | 5692 | F.S. Saalgatas RI | 92 | 124 | 56 | 127 | 128 | 565 | 127 | 129 | 565 | 129 | 129 | 565 | 129 | 129 | 565 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 12 REGIONAL MARKETS 1012: 2.0 5.7 1035: 2411.0 1055: 2.0 84 10150: 32 9.2 3 080: 33 6.2 5 0190: 1411.9 166: 1612.1 1412.0 125 £174 923 392 78 972 777 953 263 322 £203, -2 +17 -5 -8 -15 -17 not officially Risted
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FINANCIALTIMES

Wednesday February 28 1979



Fears that Vietnam conflict may grow

BY OUR FOREIGN STAFF

CHINA has made it clear that U.S. Government with respect to it is not prepared to withdraw the Chinese move into Vietnam its forces from Vietnam until and indicated our opposition to Hanoi agrees to negotiate on that move and our hope that border issues. The warning, in there will be a speedy withthe People's Daily newspaper, drawal from Vietnam." came amid reports that the 11-

News Agency claimed that Viet- appeared to be favourable to nam had struck back, sending China's move. Asked if China's forces 25 km (15 miles) into withdrawal from Vietnam and a Chinese territory.

namese forces had fought for "There is reason to link them. three days in the Ninming area but we do not wish to do that."
of the Guangxi Zhuang He added: "We have no other (Kwangsi Chuan) autonomous region. The Chinese, the agency said, killed 68 Vietnamese troops and captured one, repuls-

ing the attack.
Fighting in Vietnam continues around the strategically vital city of Lang Xon, which controls the approaches to

President Jimmy Carter, meanwhile has called on the Chinese to pull back their forces. A senior U.S. official in the area disclosed yesterday that Washington had been warned beforehand of Chinese intentions.

Mr. Carter's message to was delivered to Mr. Deng Xiaoping by some capitalist states for the (Teng Hsiao-Ping), the Chinese Vice-Premier, by Mr. Michael Blumenthal, the U.S. Treasury Secretary, who is on an official

issues £10m

average life will be nine years.

Eurosterling bonds are

the outlook for sterling appear

Finance for Industry

Lucyterling bond

agency owned by the clearing The anonymity with which banks and the Bank of England investors can buy sterling Euro-

However, Mr. Deng told U.S. day conflict might grow.

Late last night the New China

Blumenthal that world opinion Vietnamese pull-back from Cam-It said that Chinese and Viet- bodia were linked, he said: aims than to explode the myth that is Vietnam's claim to be the third strongest military power in the world and we have no desire for territory."

[In Bangkok Mr. Warren Christopher. U.S. Deputy Secretary of State, disclosed that during his recent U.S. visit Mr. Deng had foreshadowed the possibility of a Chinese invasion of Vietnam and that President Carter, "in the strongest terms he could find," had discouraged China.

The leading Soviet Politburo member, Mr. Andrei Kirilenko, accused the West of "assistance militarisation of China and connivance at its expansionist in Peking over the past 10 days gambles." He maintained that apart from reports from foreign the Vietnamese were "rebuff- ambassadors and other visitors visit to China.

Mr. Blumenthal said later: "I their own, but repeated the conveyed the position of the Soviet pledge that they had the Chinese invasion on

"reliable frends" if needed.] Yesterday's editorial article in the People's Daily, which re-flects government policies, said: Only by negotiations between the two sides can the border conflicts be solved."

Vietnamese refusal so far to engage in negotiations, and the armed provocations" it was staging could "create tensions in China's border areas for a long time to come."

Some observers in Peking interpreted that as a warning that the invasion would continue for a long time unless.

Vietnam came to the negotiating table. But a view more widely held in diplomatic quarters was that China was restating its known position and emphasising that, despite world-wide condemnation of its actions, it was still looking for positive gains from its Vietnam venture.

The editorial, coupled with reports of Chinese penetration of as much as 25 miles into Vietnam at one point, was regarded as potentially worrying because of its uncompromising tone. It is one of the few public statements made in China about the war so far. Little if any detailed information has been officially available

meeting senior ministers. The military line-up, Page 4 Editorial Comment, Page 22

U.S. arms

UK oil groups ration supplies

BY KEVIN DONE, ENERGY CORRESPONDENT

SEVERAL UK oil companies of oil products, such as petrol, heating oil, diesel and fuel oil, to their dealer and distributor networks, because of the shortage of crude oil on world markets.

Texaco, Burmah and Total

have told some customers that supplies of particular products could be cut back by 15 to 20 per cent. Other major suppliers to the UK market, such as British Petroleum, Esso and Shell, are understood to be monitoring product deliveries very carefully to hold customers to the same level of supplies they bought in February and

March last year.
The product allocations instituted by Texaco, Burmah and Total are the first clear signs that the shortage of crude oil in world markets, caused by the halting of Iranian exports, is beginning to bite in the UK oil

About 4.4m barrels a day of crude oil—a total of 400m barrels—bas been lost to world markets in the last three months because of the turnioil in Iran. In the short-term this has been made up partly by increased production from Saudi Arabia and some other OPEC producers and partly by the reduction of stocks in the oil-consuming

countries.
Some oil companies have fared better than others in making up the shortfall in crude supplies, but most of the world's major oil companies have warned their crude oil customers and their own affiliate companies that crude supplies would be cut back to by between 10 and 45 per cent.

Now, as those cuts in crude oil deliveries feed through the world supply system, some UK

Ir is also rationing all its have started to ration supplies dealers and tenants to deliveries equivalent to 80 per cent of their supplies in February and March last year. Burmah supplies about 800 service stations in the UK. trading under both the Burmah and the Apex brand names.

Texaco has introduced an allocation system for deliveries of middle distillates, products such as heating oil, gas oil and disel. Texaco customers have been warned they could be cut back to a level of 85 per cent of the supplies they received in February and March, 1978.

Spot prices

Texaco has been buying into the UK some extra product supplies at the vastly inflated spot prices now ruling the open market. It had bought spot supplies of gasoline and gas oil—for which prices have been upon a present of as much as up at a peak of as much as \$360 a tonne recently. At the beginning of this year, spot prices were nearer \$205 and \$170 a tonne for these products.

Spot purchases can only be sold at a heavy loss, but Texaco is hoping to be able to bring supplies for March at least up to the level of last year by this method.

Total has written to all its industrial and retail customers to warn them that next month they will be cut back to 85 per cent of last year's supplies. Total, which supplies about 900 service stations, has also released its dealers from their contractual supply obligations. It has told them they are free to take supplies from other sources, if they are available.

deliveries feed through the International Energy Agency—world supply system, some UK the grouping of the world's companies are having to reduce product deliveries.

Russiah Republic Product of the major oil consuming nations including Britain—will and the product deliveries. Member countries of the Burmah has entirely stopped in Paris tomorrow to discuss supplying bulk o'l products to world oil supplies. Countries are i non-contract customers. This is likely to agree to introduce only a small part of its losiness voluntary conservation measured the countries and chiefly affects its third-party steres which could cut oil demand by up to 5 per cent.

Mrs. Thatcher urges Scots to vote 'No'

BY ELINOR GOODMAN, LOBBY STAFF

AMID GROWING evidence that the referendums may not produce a decisive vote in favour of devolution, even in Scotland, Mrs. Margaret Thatcher, Leader of the Opposition, yesterday urged the Scottish electorate to vote "No" and preserve the unity of the U.K.

Mrs. Thatcher, who until now has not taken a very active part in the campaign, emphasised, go out tonight in prime time however, that a "No" vote on the eve of the poll. would not resolve the question of devolution. It would open up the way for all-party talks, which the Conservatives have

long advocated. Mrs. Thatcher's call was made in a message to the president of the Scottish Conservative and Unionist Association. It was a departure from her earlier preference for leaving Scottish and Welsh Conservatives to cam-

paign for a "No" vote. Some Scottish Conservatives, worried about reports that as many as a fifth of their supporters may support assembly, were annoyed at the way the Prime Minister used his appearance on BBC television on Monday night to call for a

chance to reply.

In a continuation of the dispute about how broadcasting time should be allocated to the different interests, Conservative Central Office was putting pressure on the BBC last night to provide an equally prominent spot on television for a senior Conservative to put the "No" case

They wanted a broadcast to

Although "Yes" campaigners in Scotland are still confident that a majority will support the proposed assembly, the latest polls suggest that the Govern-ment will be lucky if the result meets the requirement that 40 per cent of those eligible to vote should endorse the proposal for the assembly to be set up automatically.

A poli published yesterday showed that the Confederation of British Industry was accurately reflecting the views of the business community when it came out against the proposed assemblies. According to the poll, carried out for the BBC Money Programme, only 10 per cent of businessmen in Scotland "Yes" vote. They felt that and 8 per cent of those in Wales Mrs. Thatcher should be given support the assemblies.

German truck maker strengthens U.S. link

BY ADRIAN DICKS IN BONN

MASCHINENFABRIK AUGS-BURG-NUERNBERG, the West German commercial vehicles and engineering group, appears to have consolidated its footbold in the North American market by signing a letter of intent which will lead it to taking up a majority in White Motor, the U.S. truck manufacturer.

Last night, MAN did not state what proportion of White it would acquire beyond a 50 per cent majority, but that it was prepared to buy up to 9.6m ordinary shares at \$8 each.

\$76m (£37.6m) comes a little more than five mouths after MAN paid \$15.6m (£7.7m) for a 12.6 per cent stake in White. On that occasion it paid \$13 per share.

was no surprise, following the DM200m capital increase, to

had to be in a position to act quickly if opportunities grose. The expansion of MAN's stake which has still to be approved by the boards of both companies, White shareholders and the U.S. authorities, would appear to put the German company a move or two ahead of other European heavy vehicle builders currently seeking a major, presence in North

One of the immediate attractions of White for MAN is the U.S. company's network of 280 dealers and 25 directly-owned service centres in Canada and the U.S. which MAN believes could be readily used to market either a new range of vehicles or current MAN trucks assembled in the U.S.

John Wyles in New York writes: MAN's bid reflects White Motor's current capital weakness in a highly competitive DM625m (£169m), by Gutehoff- market. It is one of the smaller nungs-Huette Aktienverein, heavy truck makers with a which owns some 76 per cent of market share of just under 7 per MAN. At that time Herr Man- cent, and several years of slim Mr. Begin it was half-expected fred Lennings, the GHH chair- margins have left it with little

THE LEX COLUMN

Taste of freedom in gilt-edged

Yesterday's 3-point rise in long-dated gilts leaves the Government Securities Index S.2 per cent higher in 13 trading daysa recovery steeper than that of January, 1977. Last Friday the market was left untapped to allow it to find a level, but rather than consolidating, it has raced ahead.

After all the funding criscs of the last year it must go against the official grain not to be tapping a bull market. One danger for the authorities is that gilts will jump to a new higher level quite quickly, pos-sibly making funding difficult again in the summer. There is now the choice between bringing Minimum Lending Rate back down with a bang or in reluctant steps, but in the short term MLR policy may make very little dif-ference to the git-edged market. Issuing a new tap will take strong nerves. The Bank cannot

afford a repeat of last week's debacle with another partly-paid stock, but a fully-paid and very large long might do the trick. It would presumably be in-tended to mop up inflows of foreign money rather than to fund; there is no real need for domestic funding before the May banking month. These inflows, though substantial, should not reach the scale of 1976-77 when sterling was recovering from an oversold position and foreign speculation in gilts was actively encouraged

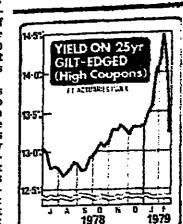
by currency considerations.

Yesterday the gilt-edged market was dragging the equity market up in its wake, but the real message of recent bizarre developments is that once again the public lector has solved its problems at the expense of private industry and commerce. The public sector is disguising its ugly fiscal blemishes with the pure white garments of monetary rectitude. It is true that yesterday Finance for Industry opportunistically launched a new curusterling bond with a coupon of 13 per cent. Yet even if this issue goes well there is hardly likely to be a rush to follow. British com-pany finance directors are still priced right out of the market by long-term rates at anything like this level.

Natwest

looking up National Westminster—once the country's most profitable clearing bank. The collapse of property prices during the mid-1970s, heavy and unproductive spending on huge group's profits in recent years. progress is on the cards, despite yield is well covered.

Index rose 10.8 to 479.6



NatWest resterday. announced a 25 per cent rise in pre-tax profits to £297m, much in line with Barclays perform-ance last week, and there are signs that with capital spending starting to tail of sharply the group's performance in future could start at least to match that of Barclays—the

market leader.
Of course, NatWest's performance in 1978, in common with Barclays, had a lot to do with the much lower charge for bad and doubtful debts. On a total loan book of just under £15bu NatWest charged £32m against profits last year compared with a figure of £23m in the case of Barclays which hoasts advances of £17bn. NatWest's net loan improved by around 5 per-losses of £19.5m were much So the fact that this west lower than Barclay's £57.7m but—in hand with a shrinker then a total provision of £400m at Barclays overshadowed Nat-West's £239m—even allowing for the differing tax treatments.

It will be some time yet before conclusions can be drawn about the prudence of either banks' provisioning but in the meantime NatWest's international business increased its contribut European market, tion by 17 per cent which canpares (avourably with the facklustre overseas performance at Lloyds and Barriage. Mean-while, domestic banking profits were up by over a third and in the case of related banking services there was an increase ike this level.

Of around a seventh. Up 17p well, Bu yesterday; to 327p, NatWest's gins has shares are now selling on a export multiple of 41.

Suffered:

Commercial Union

Commercial Union's profits rise from £99.8m to £142.2m pre-tax translates into a much earnings is overshadowed more pedestrian performance in the £6.5m below the line pre-tax translates into a much capital projects and the need more pedestrian performance in the 16.5m below the line to establish a large interterms of earnings per share, vision made last year ag national presence rapidly, have because of its big equity issues rationalisation costs, mainly all taken their toll of the in 1977. But further modest zips. However, the 9.8 per

which the group expects. U.S. the year Under have in Holland could be he several million bounded ment encome is still to rise had year's 10 per cent. It collowers the swing colors wide underwiftle pres

ell thinks that the next cil thanks that the near turn in the international writing evolve will be less than the last. We happens, the key prior is a conserve to stock matter dramatically reduced in the few year. Its solveney is over as per celet to Equity type investments represent around 85 per shareholders' funds, mearer 200 per cent sixture. ugo. The ratio of outstal elains, uncarned etentions the marine fund to not we has fallen from courthly 33;

about 2:1 in other words, the greenld now be tar better per to withstand the kind of wind that shook its very for hoas in 1974-75. The should be secure enough at where the yield is 81 per covered 21 times.

Business was good for # most areas last year -except zip lasterners-and w margins says a good deal the difficult conditions is much of British industry working, and which are by to dominate the enginer results season now starting. contributed f3m less to pt because of risin; importa-tioished garments tale grang's prostax profits at a t 12m to LEm.

Home improvement des is beaming and Glynwed's plant strikebound - 345 period last autumn, co tubes have been buoyant, heat exchangers have also . well, But winle domestic. gins have been mainte export profitability suffered; and the current has got off to a had star January. Prospetts are a what better for later in

year, but the quality of

Weather

UK TODAY

SHOWERS in all areas, with some sunny spells. Max 7C London, S. England, E. Auglia.

Midlands, E. England, Channel Isles, S. Wales Sunny periods and showers. N. Wales, N. England, Isle of

Man, Ulster intervals, blustery Sunny

Borders, S. Scotland Sunny intervals, wintry showers. Rather cold. Highlands, N. Scotland, Islands

Sunny intervals, frequent heavy showers. Outlook: Showers with some sleet or snow in the north.

Some night frost.

WORLDWIDE

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tions were met.

southern Iranian oil fields mounting pressure on prices, vesterday, ruled out future oil however, and Iran's move to barter deals, except perhaps for auction its first production can agricultural goods.

meet domestic demand.

only exacerbate the position.

speed-up to North Yemen By Richard Johns in Riyadh and

BY NICHOLAS COLOR TO THE STATE OF THE STATE THE U.S. has made a signifi-cant gesture of support for North Yemen, engaged in heavy The anonymity with which has issued a £10m Eurosterling hunds. and other technical fighting along the border with bond. The move is prompted by increasing overseas interest in devantages, mean that the yield South Yemen, by announcing one such bonds is usually lower that it is speeding up deliveries British Gilts and is the first such than that available on the of more than \$100m (£49.4m) bond to have been issued since equivalent gilt-edged stock. The worth of arms. It also plans last April.

equivalent gilt-edged stock. The borrow more to send a further \$400m. The new bond will earry a cheaply than in the domestic coupon of 13 per cent and will be compared to the coupon of
intended to reassure Saudi

Arabia, which regards the fighting between the two Yemens as

a part of a Soviet-inspired plot

to bring down the pro-Saudi

The \$100m arms package involves artillery, anti-aircraft and

anti-tank guns, and missiles. The

second package includes 12 F5E fighters, 100 armoured troop

In Riyadh, the Saudi Arabian

capital, Mr. Mahmoud Riad, Secretary-general of the Arab League, said that South Yemen

had agreed to attend an emer

gency Arab League meeting called for by North Yemen. It

is hoped that the meeting, at

Foreign Minister level, can be

convened by Saturday, but a

venue has not yet been decided.

North and South Yemen have

cused one another of starting

the fighting, which broke out last Friday and was continuing

yesterday. But the South Yemen-backed National Demo-

cratic Front—a North Yemeni

opposition group — has · an-nounced on Aden radio the

capture of all the main North

Yemeni border towns, a claim

largely confirmed by North Yemen. Few observers doubt that South Yemeni regular

troops and militia are engaged in the fighting alongside the

Prince Saud al-Faisal, the

Saudi Foreign Minister, indi-

cated yesterday after talks with the South Yemeni Foreign Minister that the forthcoming

visit to Riyadh by South Yemeni

President Abdul Fateh Ismail

would be postponed until the conflict was resolved.

Continued from Page 1

carriers and 60 M60 tanks.

regime in North Yemen.

be priced at par. The bond will advantage of mature in 1991, though its repay such a debt early. The announcement follows a statement by Dr. Harold Brown. Finance for Industry, and its The coupon compares with the subsidiary the Industrial and the Defence Secretary, that the coupons of 93 per cent and Commercial Finance Corpora-U.S. is prepared to defend its 10 per cent at which FFI was tion, have a continuing need for vital interests with force if necessary. The initial package able to float its two previous fixed rate finance with which Eurosterling bonds in the winter to make long-term loans to of arms deliveries, which are small British companies and for being paid for by Saudi Arabia. major industrial projects. was agreed some time ago. The timing of the announcement is

denominated in external stering—British residents can buy them only through the dollar premium. They are tailored for Securities and Merrill Lynch in foreign buyers. Such issues are the managing group reflects the introduced when the combina- international demand that is tion of British interest rates and expected.

Eurobonds, Page 29

Banks fear car leasing tax relief may be cut

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

banks are worried that the announce changes in the tax law on car leasing in the budget on April 3. Such a move could restrict the growth of a business which multiplied more than six times in 1978 to £347m.

These fears became clear yesterday when National West-minster Bank, the third of the clearers to report 1978 results, disclosed that it is retaining a deferred tax provision of £125m. mainly against the possibility of future claw-backs of investment

allowances on leasing. It is understood that over £100m of this provision is for Clark envisages concerns "the

National Westminster is pro-viding for 40 per cent of its total whereby leasing companies can

THE BIG London clearing pares with a 25 per cent provision by Barclays Bank,

Lloyds Bank, however, has made no provision for deferred tax on its leasing business. Lloyds justifies this by saying its leasing of expensive capital equipment is different from car leasing, which is short-term.

Confirmation that tax changes are at least being considered in this area came last night from the Equipment Lessing Association. Mr. Tom Clark, ELA chairman, said that his association has had talks with the Inland Revenue.

The most likely change Mr. anomoly which exists on cars potential deferred tax liability get full tax relief in the year on leasing business. This com- of purchase."

Continued from Page 1

Iran oil exports

ment, provided certain condi-tions were met. day, in two months. The shortage of crude oil on Mr. Nazith, who visited the world markets is still putting

The level to which Iran will Kuwait and Oman yesterday be ready to build up oil produc- joined Abu Dhabi, Qatar and tion is still unclear. Mr. Libya by announcing further Mchammad Ali Narvegh, NIOC's price rises above the increases deputy chairman, said that pro- agreed by OPEC in December. duction was now rising to 1.5m Kuwait is adding \$1.20 a barrel barrels a day, of which 800,000 to its first-quarter price of barrels would be set aside to

Before the crisis Iran was pro-Before the crisis Iran was producing up to 6m barrels a day.
Mr. Mehdi Bazargan, the Prince surcharge." Kuwait said yester-Minister, said in a radio inter- day that customers would be view that Iran hoped to return informed during March of the to 60 per cent of previous production, about 3.6m harrels a quarter.

\$12.83 a barrel. The increases which take

Begin pects the next stage to be bilateral discussions between

Israel and the U.S. to clarify Roger Mathews reports from Cairo: Mr. Khalil rejected Mr. Begin's claim that no progress had been made at the Camp David talks.

Egyptian officials said that for Mr. Carter to have called the summit meant that limited progress had been made last But with further concessions being demanded from

This investment of up to about

Last night's announcement man, remarked that the group surplus capital.

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